

The regional workplace:

California's Economic Challenges and The Future of Labor Market Institutions

Presentation to California Workforce Investment Board
Sacramento, CA



October 30, 2012

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Pittsburgh steel work in the 1950s

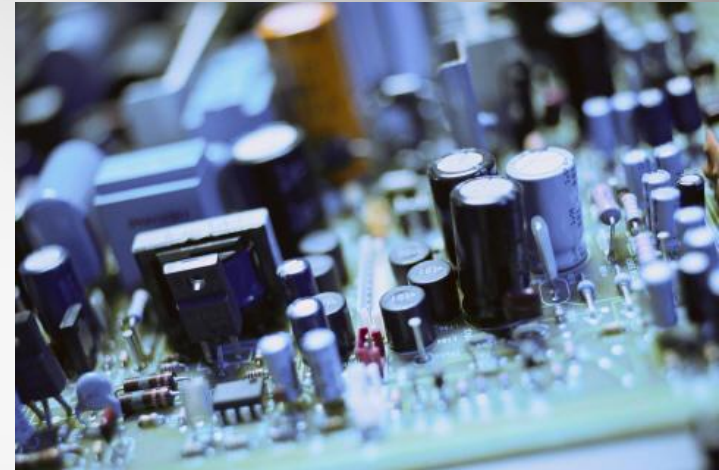
- ❖ Steel-production, material transformation
- ❖ Work, job, career and generational stability
- ❖ Single employer largely controlled labor process
- ❖ Union—clear role in negotiating work and employment conditions



Homestead Steel Works - Pittsburgh Pennsylvania - Monongahela River - circa 1950

Silicon Valley in the 1990s

- Information transformation
- 87% of all job growth 1990-2001 in firms that didn't exist in 1990.
- In driving industry clusters, newly established firms accounted for 260,000 new jobs, while firms that existed in 1990 lost 120,000
- Top 100 “half-life” of about 7 years.
- Median job tenure: 30 months,
- Market-mediated “employability” management; networked production



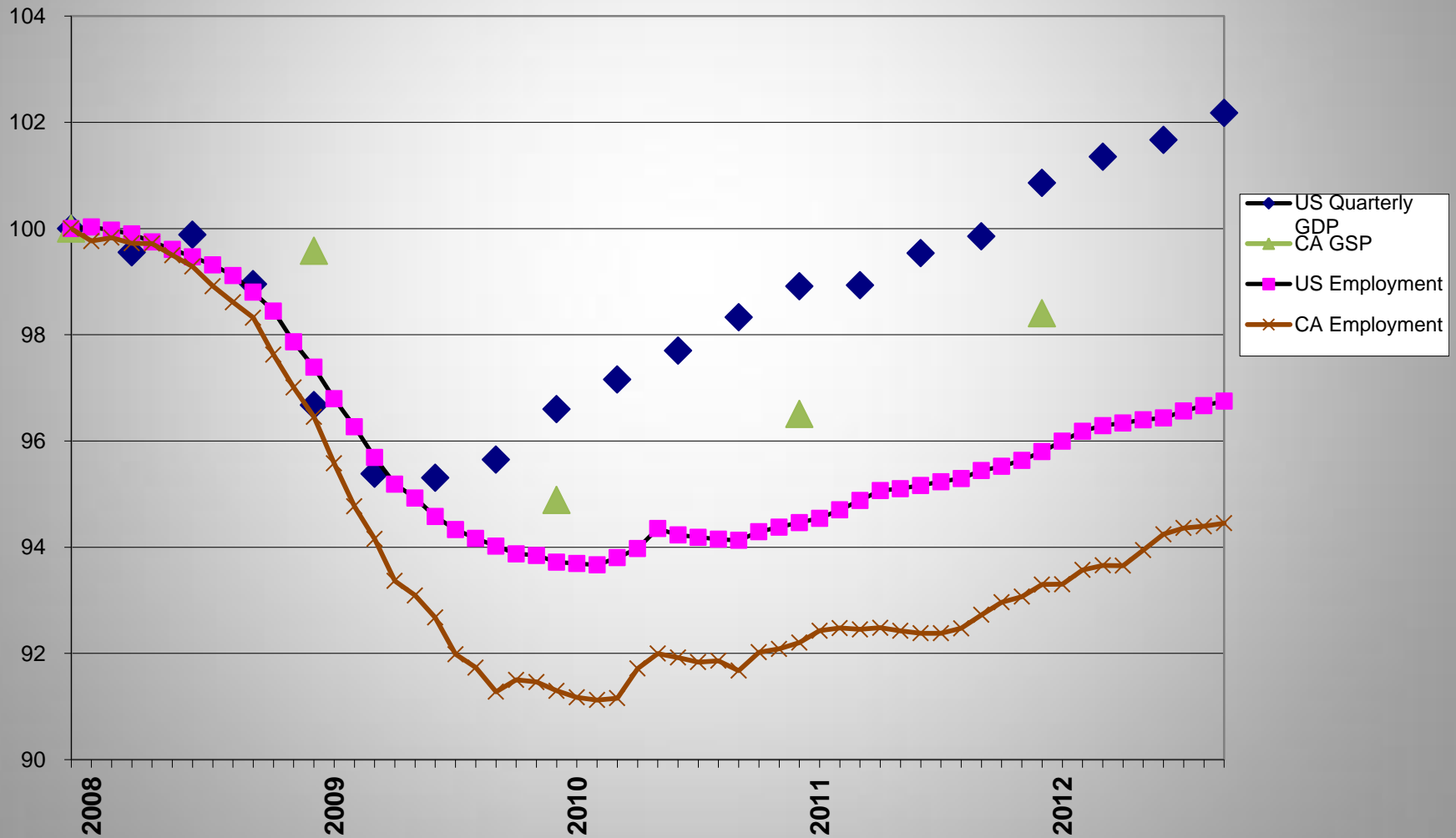
An urgent need to think long term...

- ❖ The jobs crisis
- ❖ The inequality crisis
- ❖ The political crisis
- ❖ The workforce investment opportunity

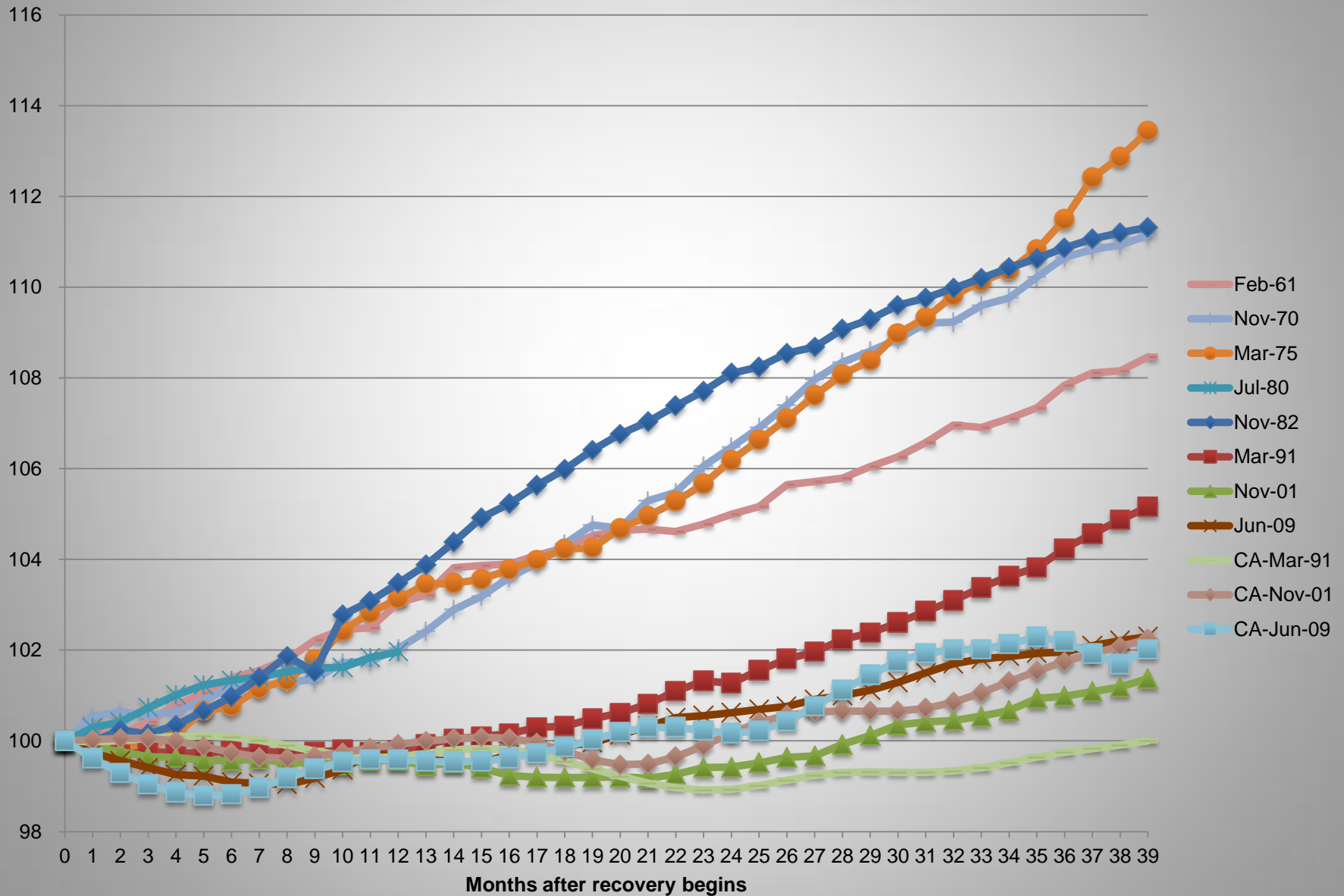


The jobs crisis...

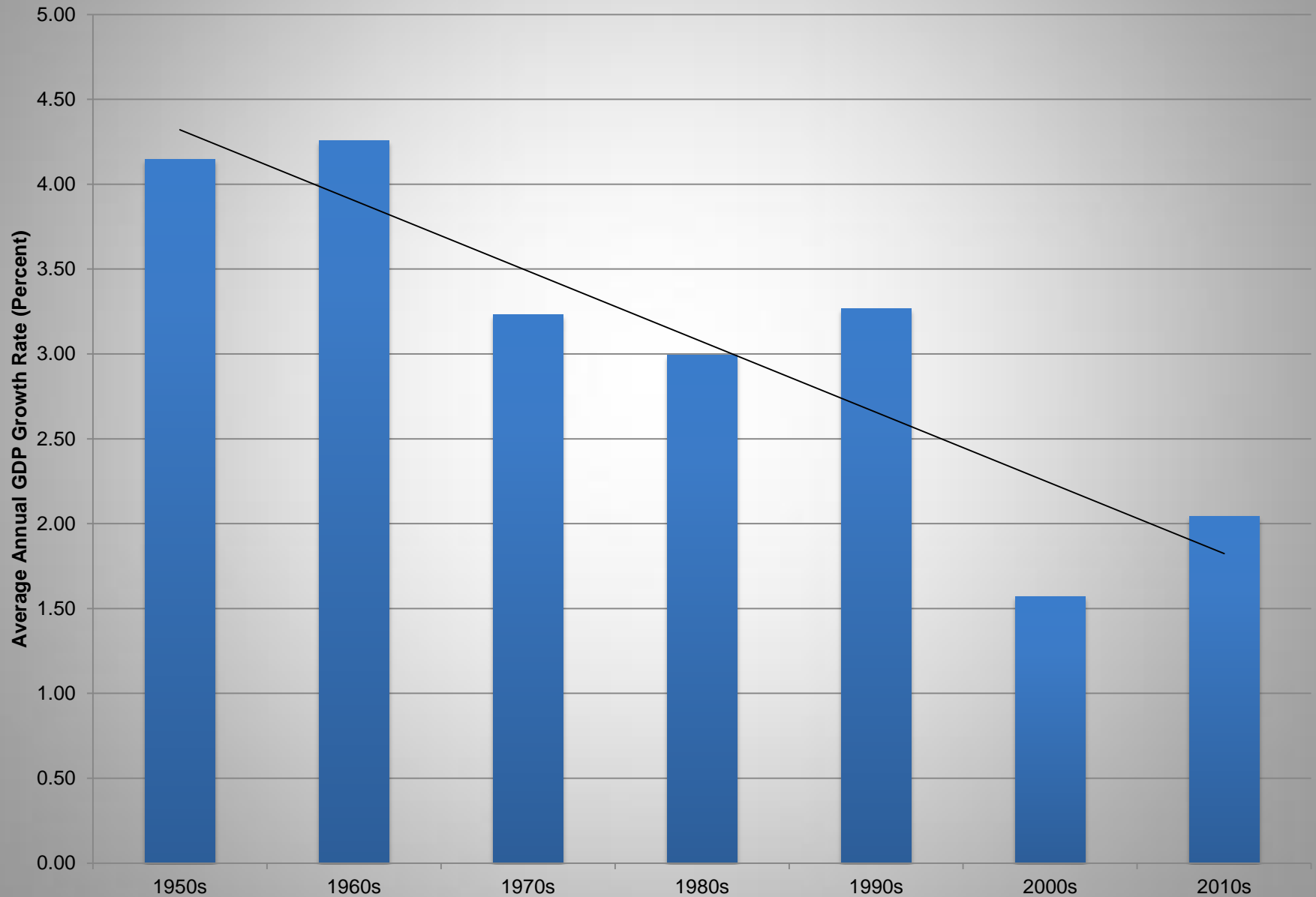
Slow Recovery



Deeper Job Crisis



Not just a jobs crisis....



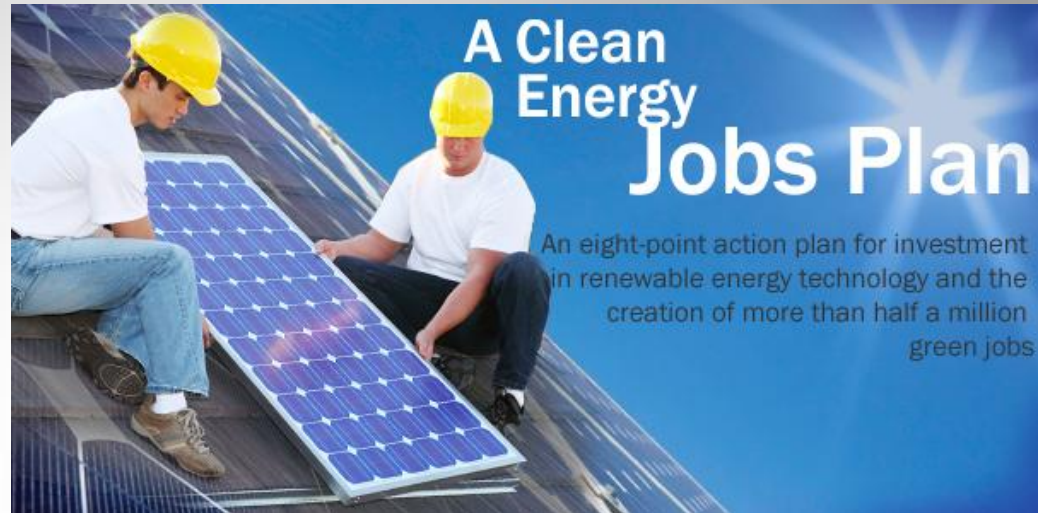
Typical proposed solutions

the AMERICAN JOBS ACT



PRESIDENT OBAMA'S PLAN TO CREATE JOBS NOW

LEARN MORE AT WHITEHOUSE.GOV



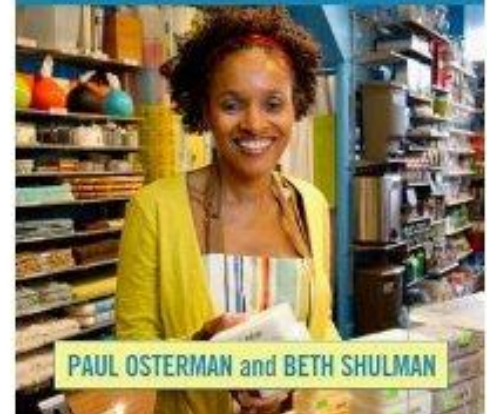
AMERICAN JOBS PLAN

A Five-Point Plan
to Stem the
U.S. Jobs Crisis

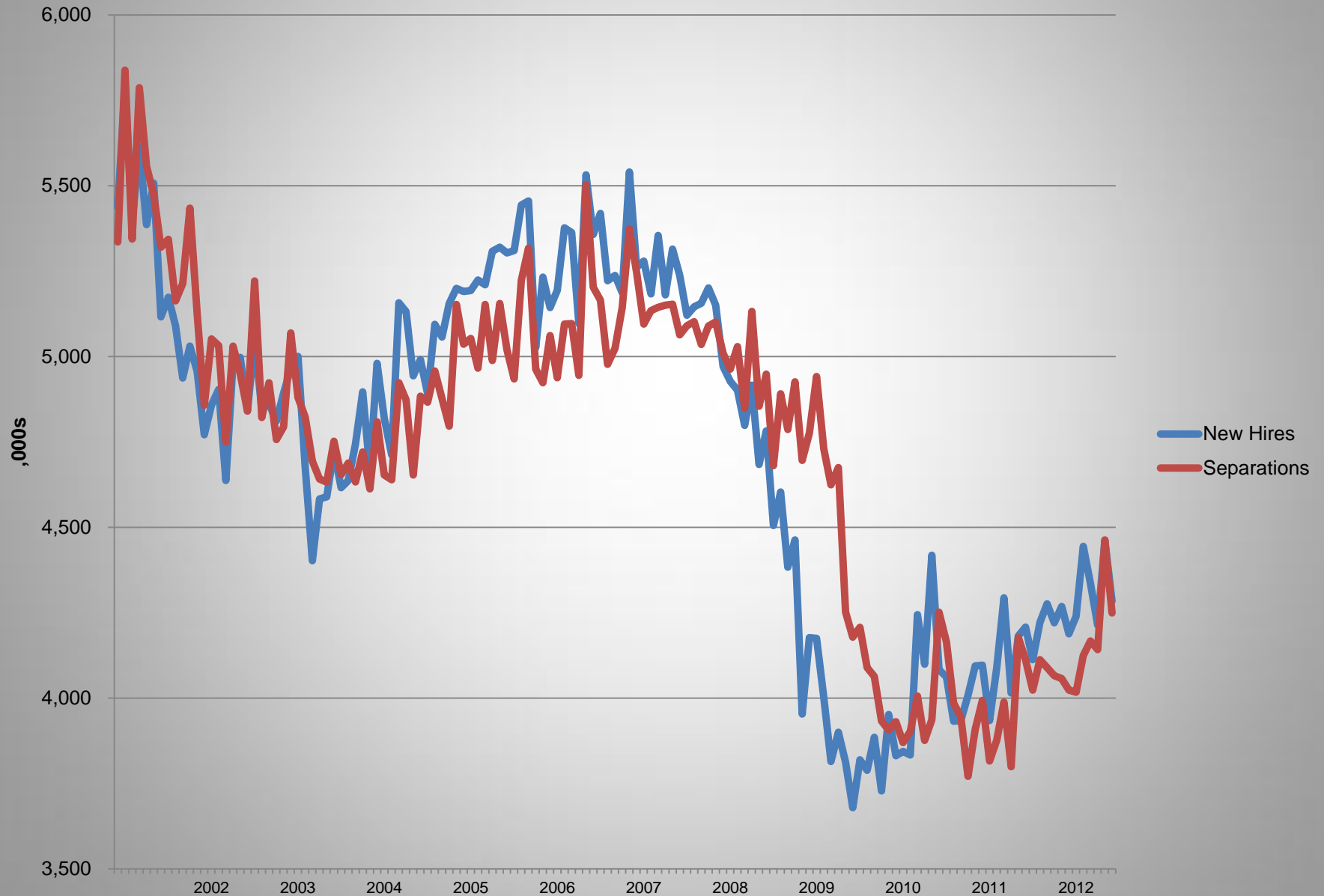
 ECONOMIC POLICY INSTITUTE

GOOD JOBS AMERICA

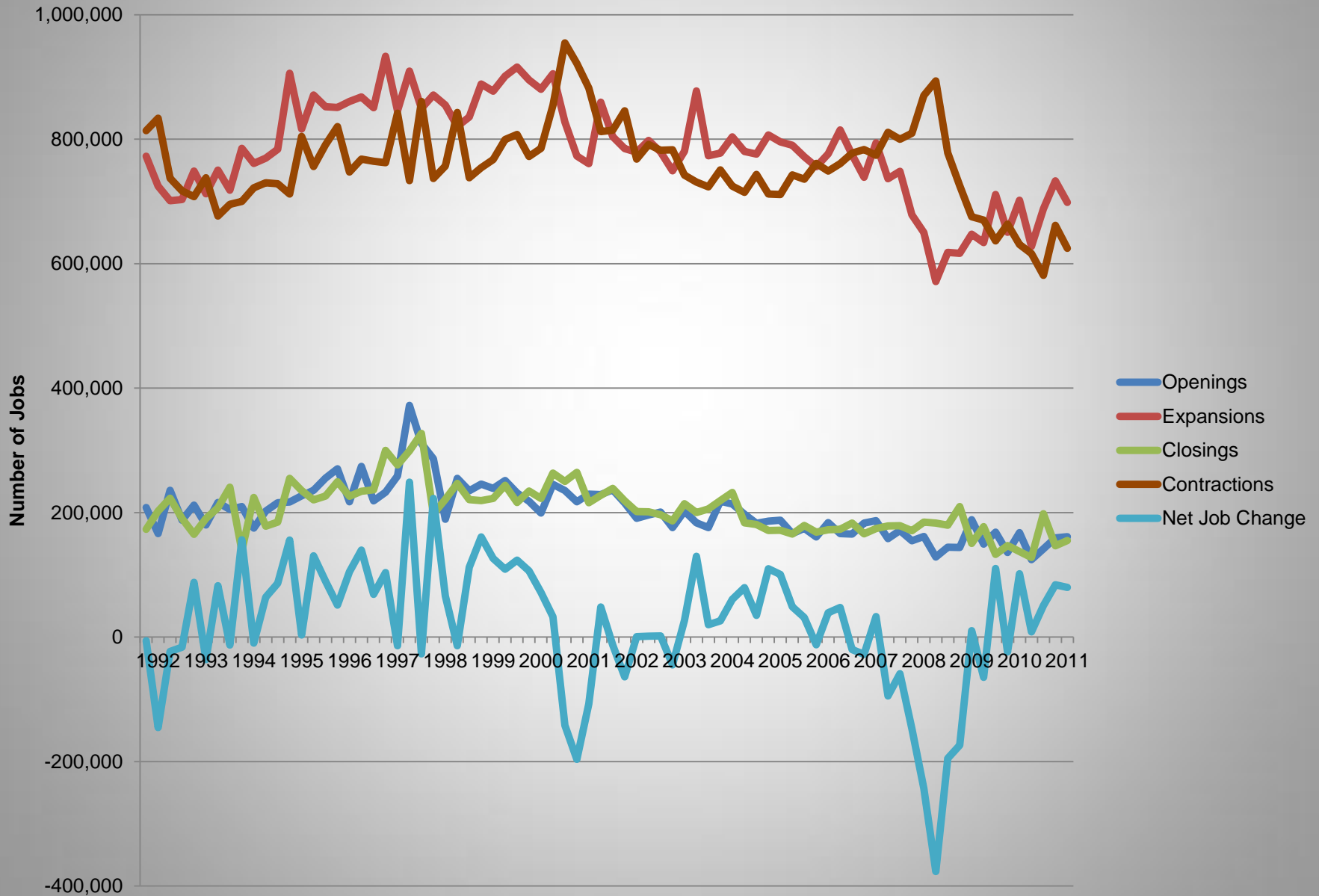
MAKING WORK BETTER FOR EVERYONE



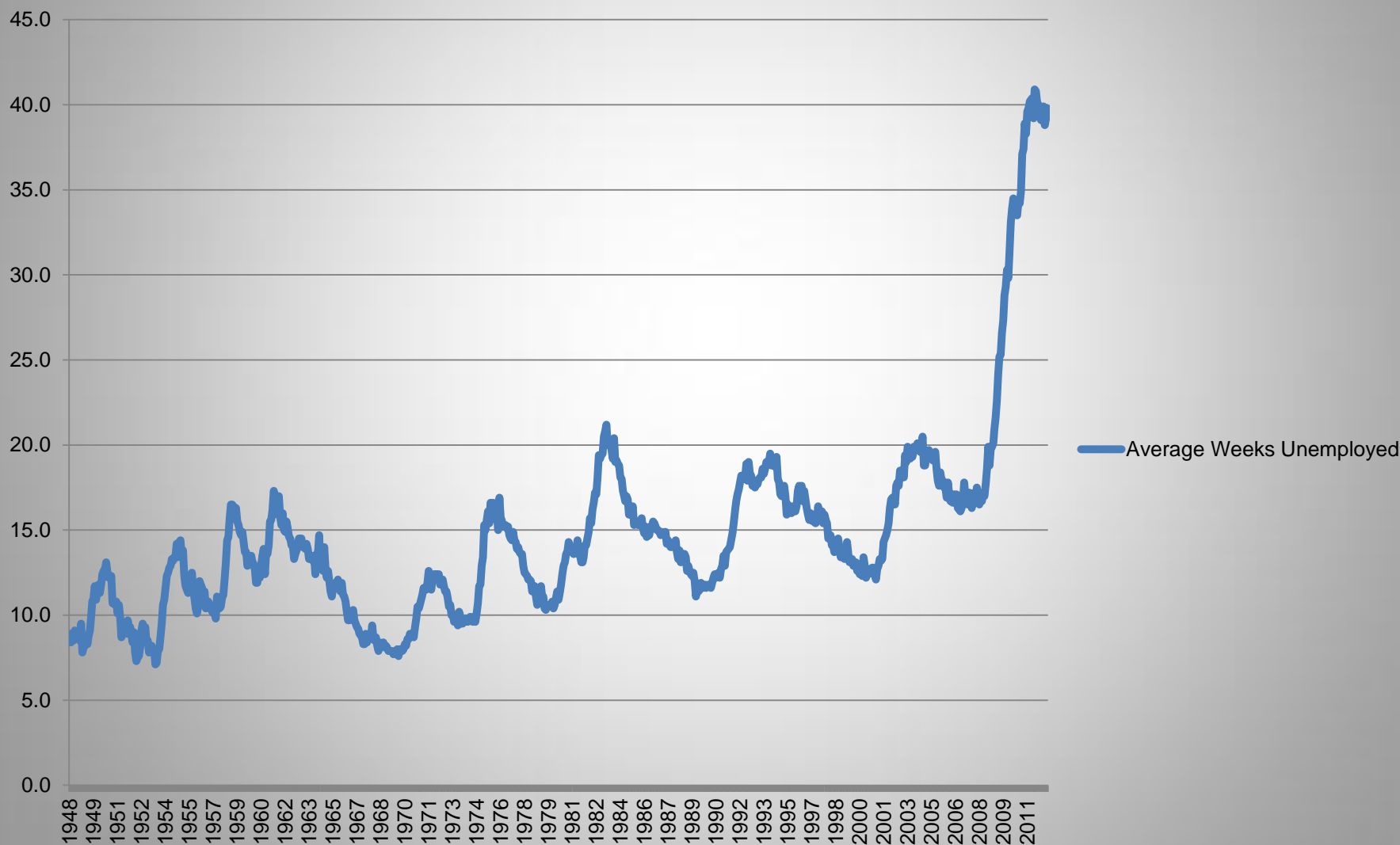
Monthly Hires and Separations



California Business Employment Dynamics

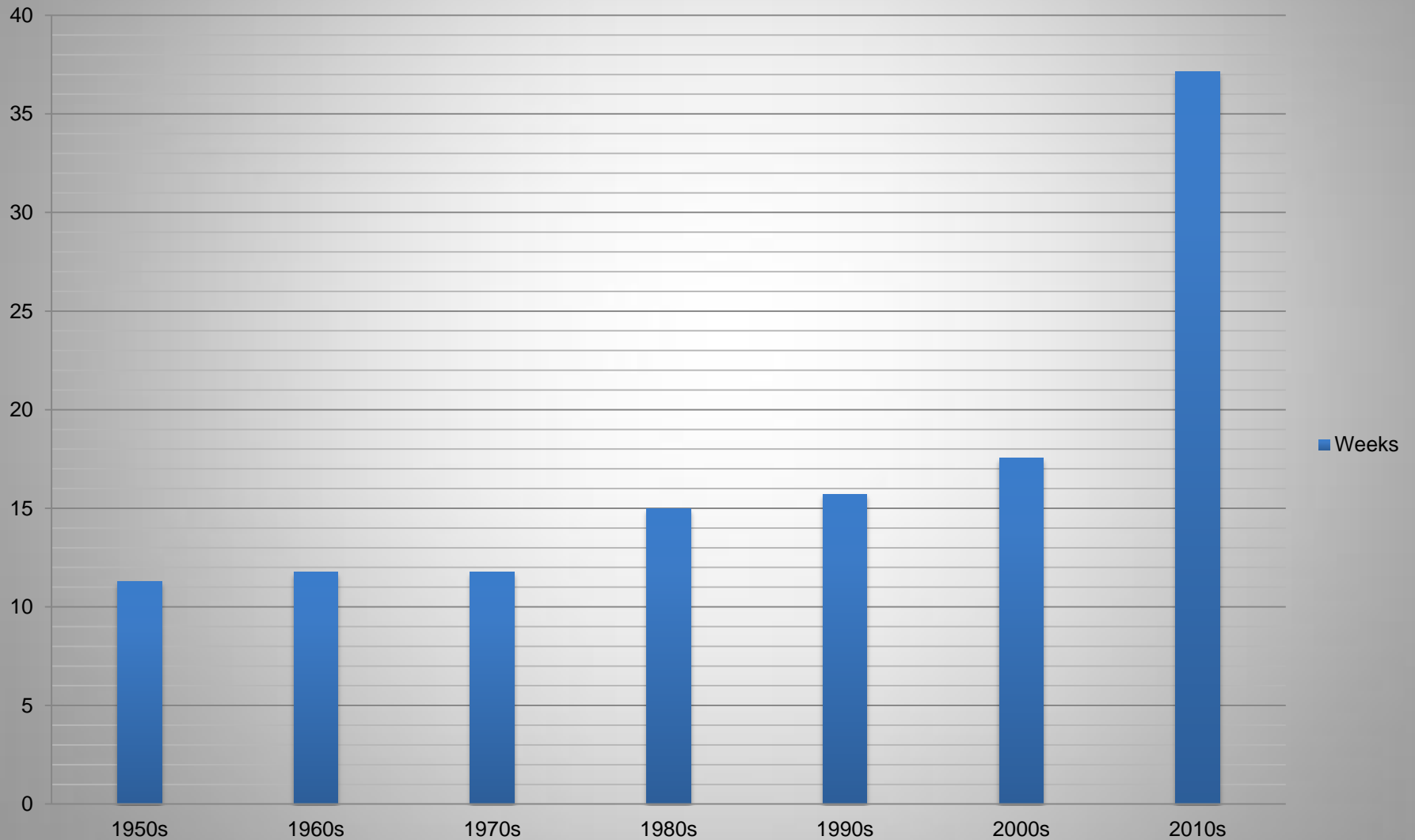


Average Weeks Unemployed



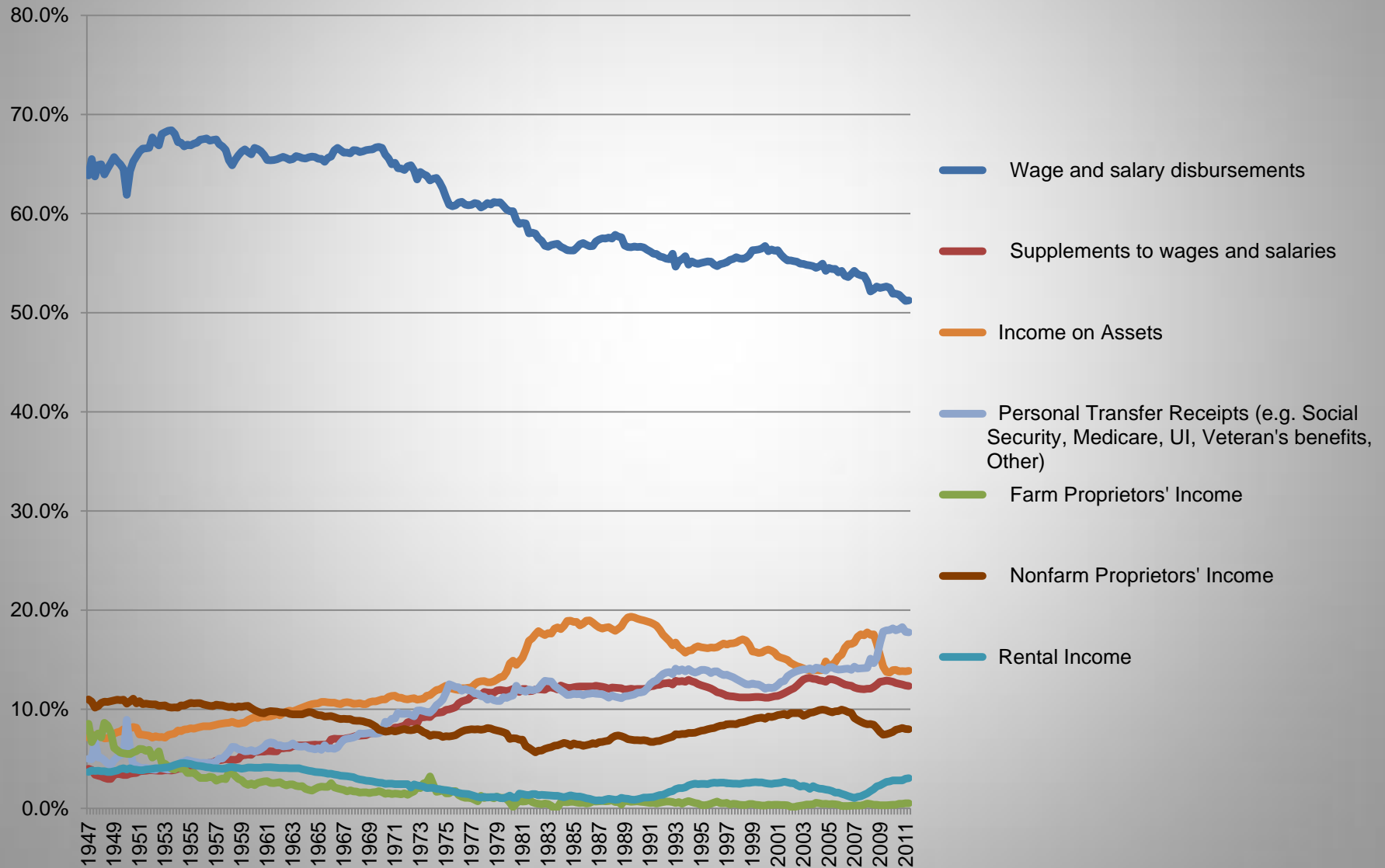
Source: BLS, CPS, Series LNS13008275

Average Duration of Unemployment by Decade

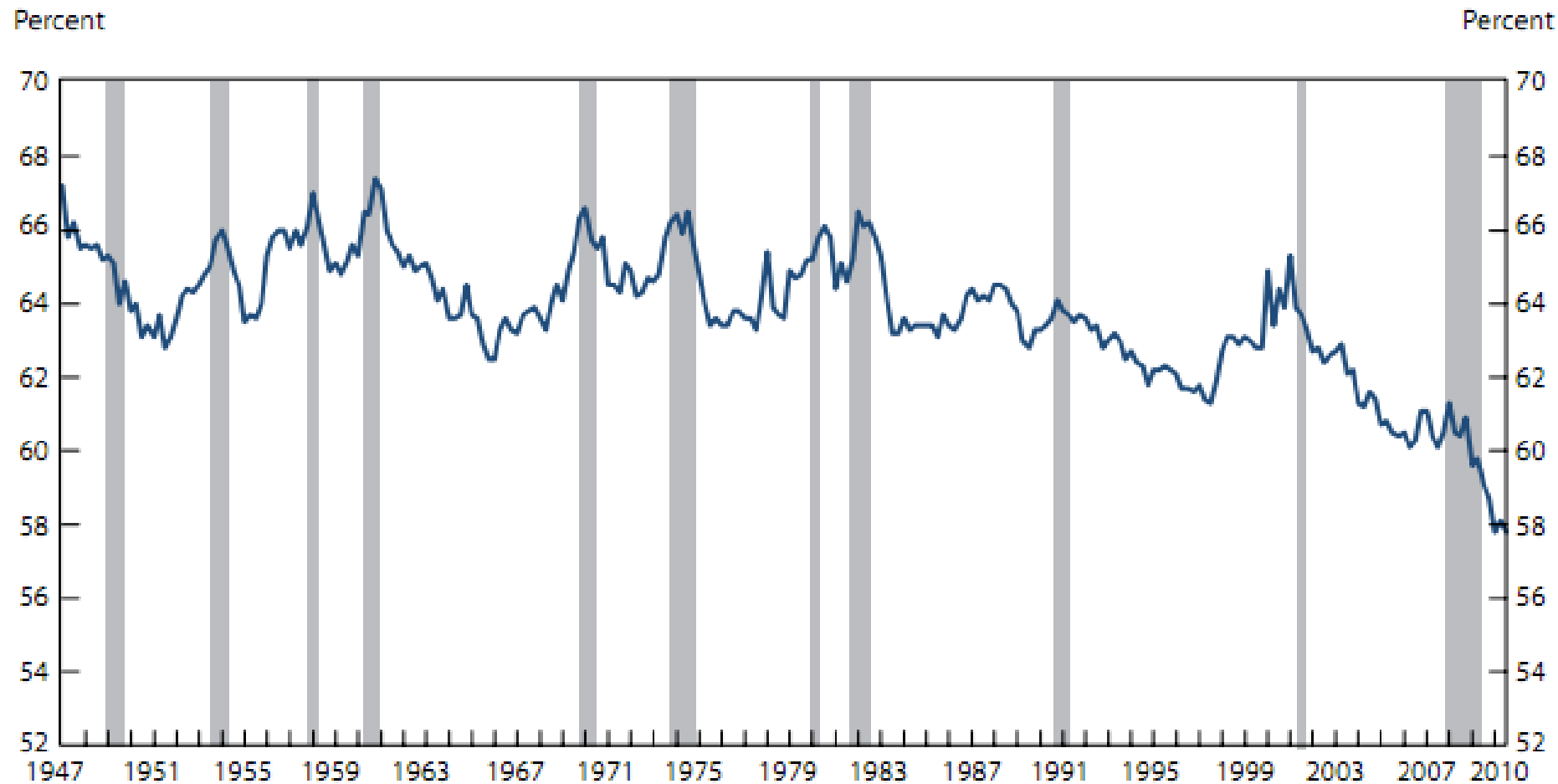


Source: BLS, CPS, Series LNS13008275

Components of Total Personal Income, 1947-2011



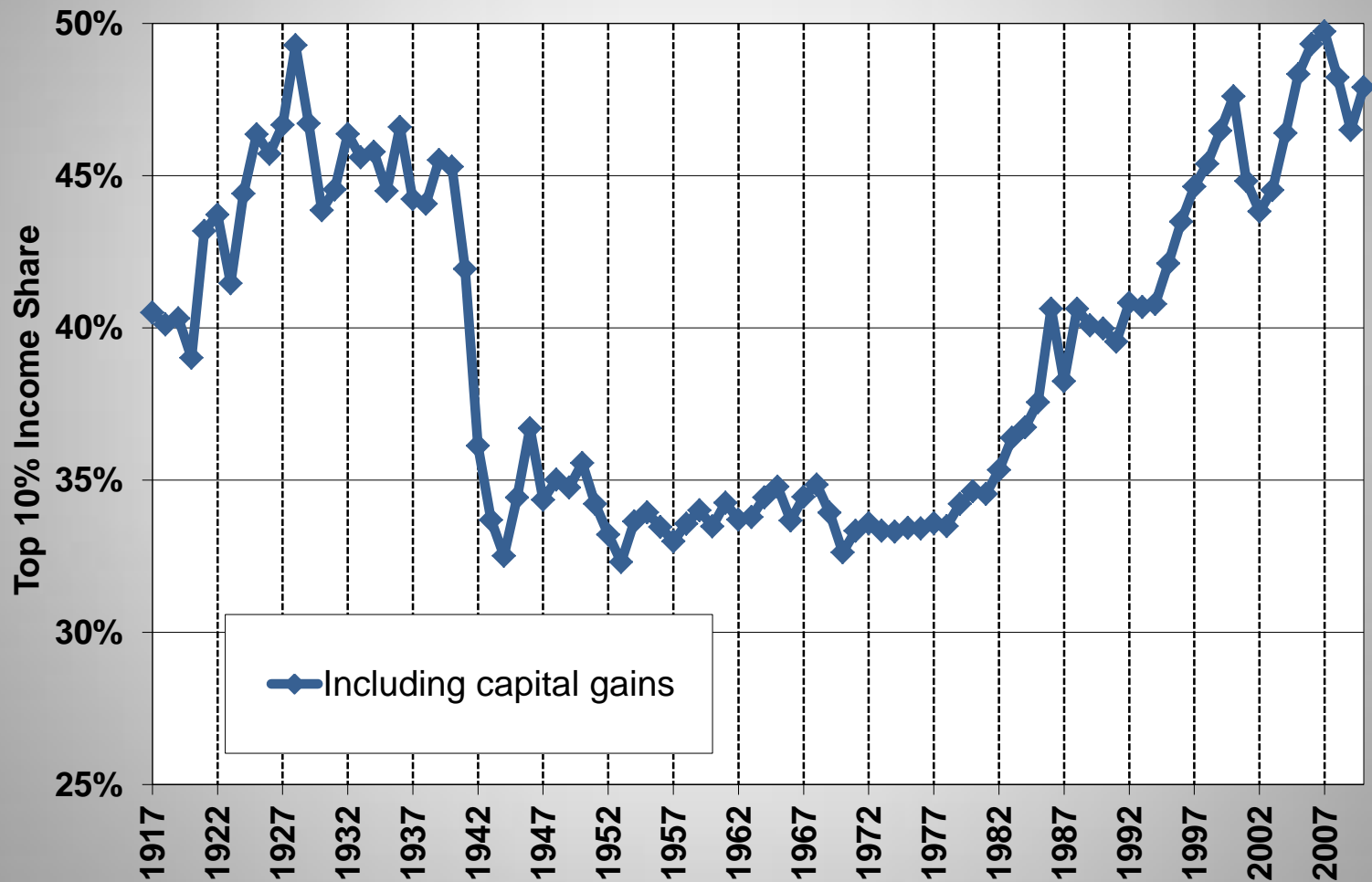
5. Labor share of nonfarm business sector output, first quarter 1947–third quarter 2010



NOTE: The shaded bars denote National Bureau of Economic Research (NBER)-designated recessions.

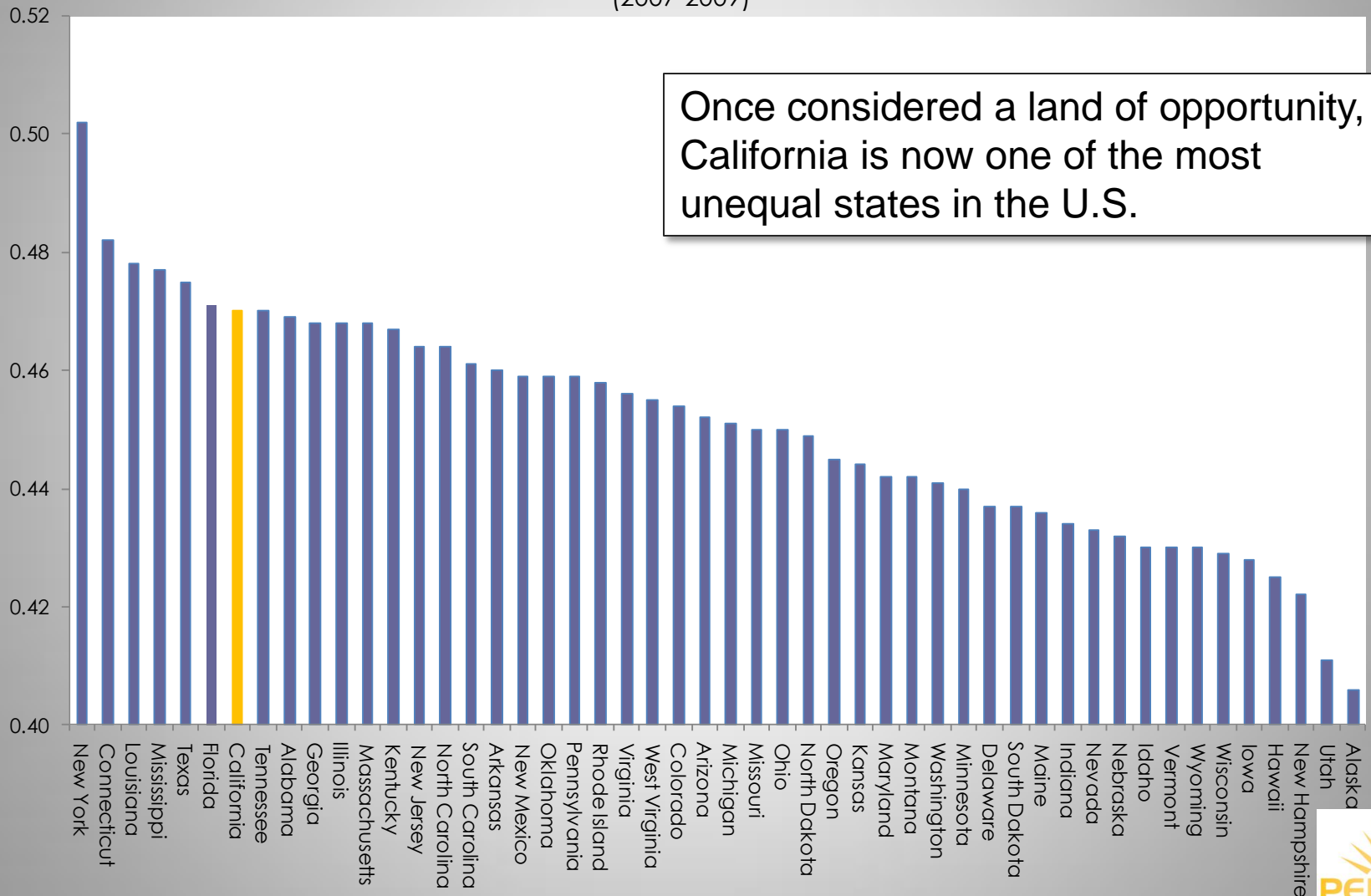
The inequality crisis...

Inequality has increased dramatically



Once land of opportunity, now...

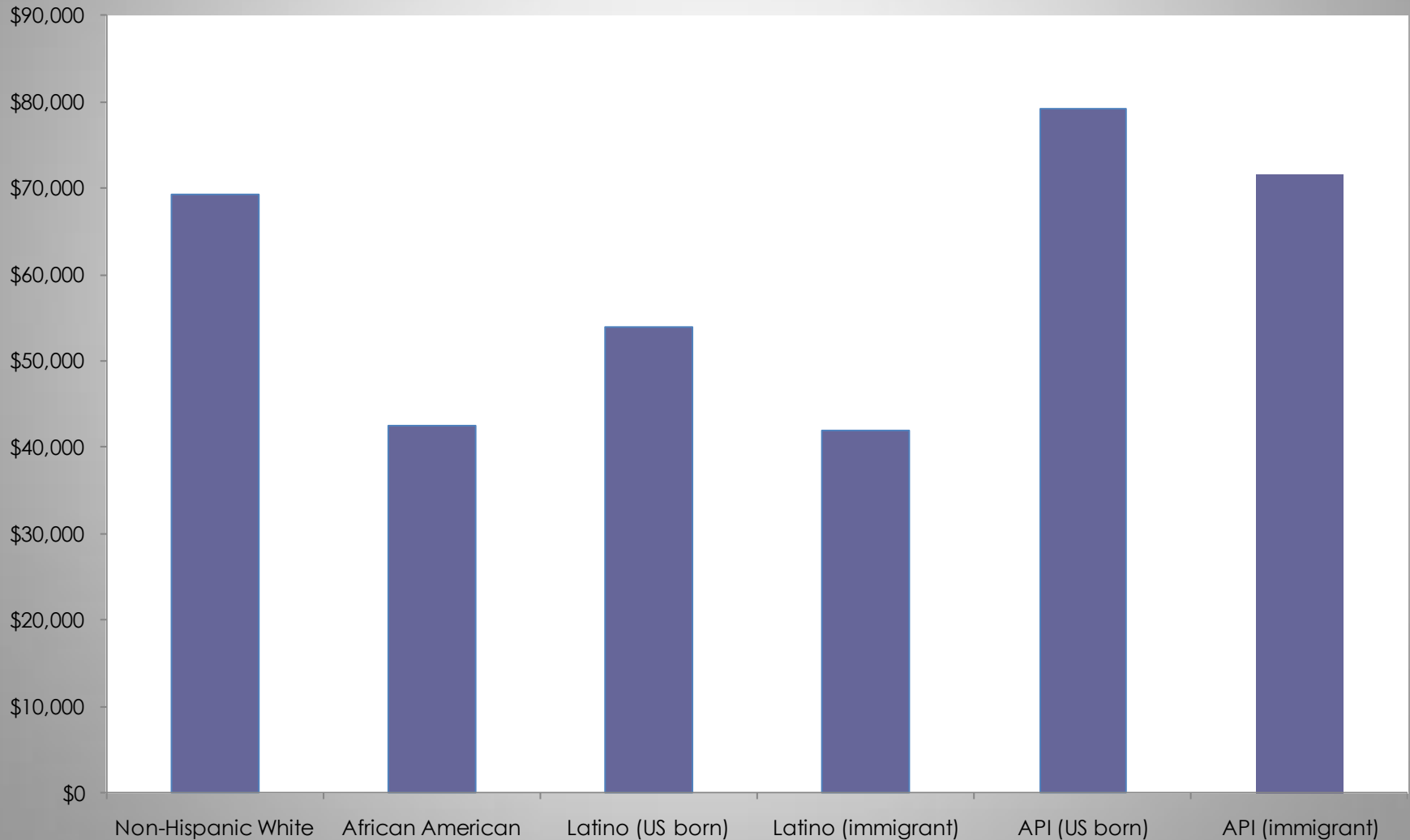
Gini Index by State
(2007-2009)



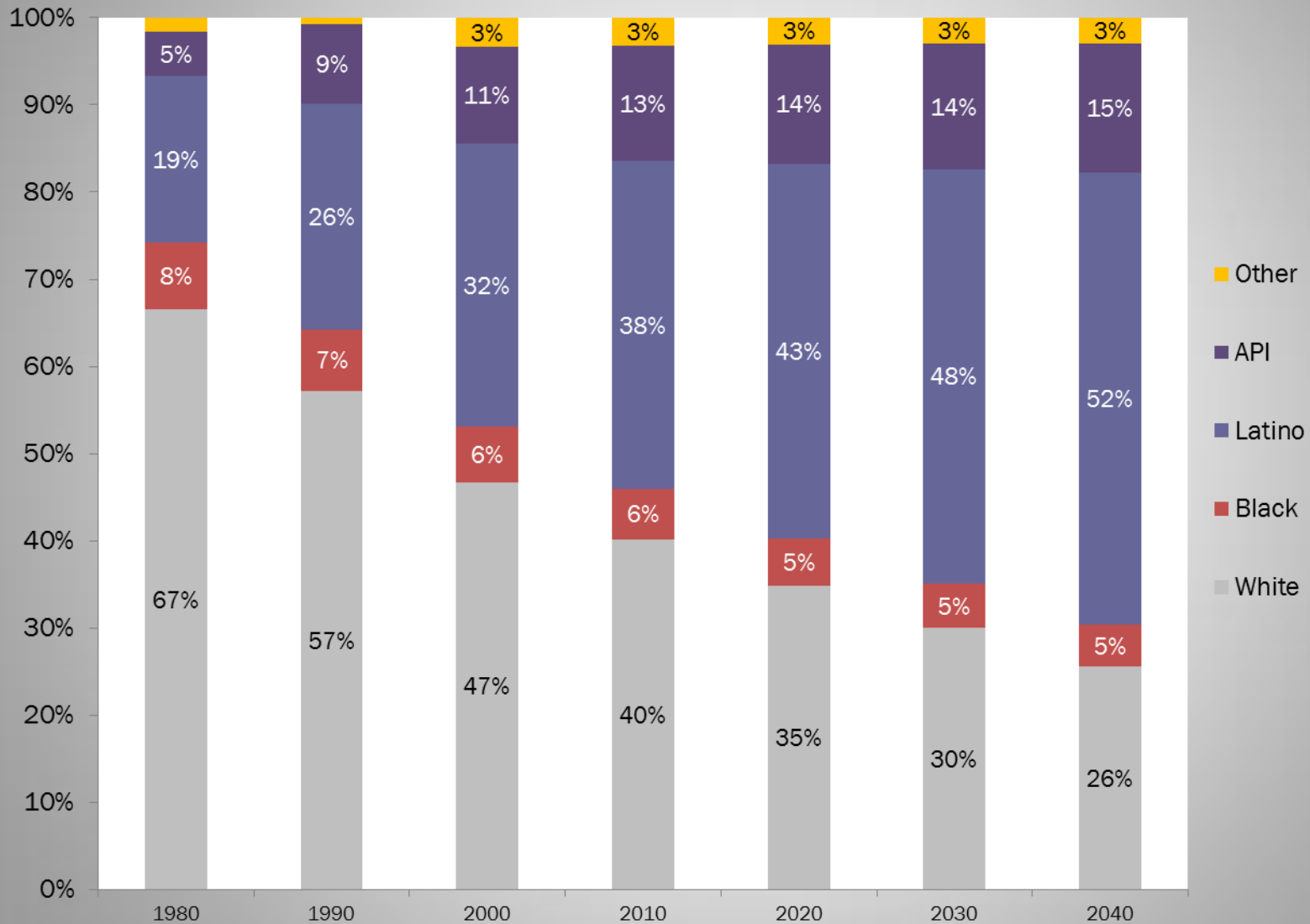
Note: The Gini coefficient is a measure of income inequality. A zero coefficient implies that all households in a state have exactly the same amount of wealth, while a coefficient of 1.0 means a single household has all the state's income.

Inequality by race and nativity....

California: Median Household Income by Race and Nativity
(2007-2009)



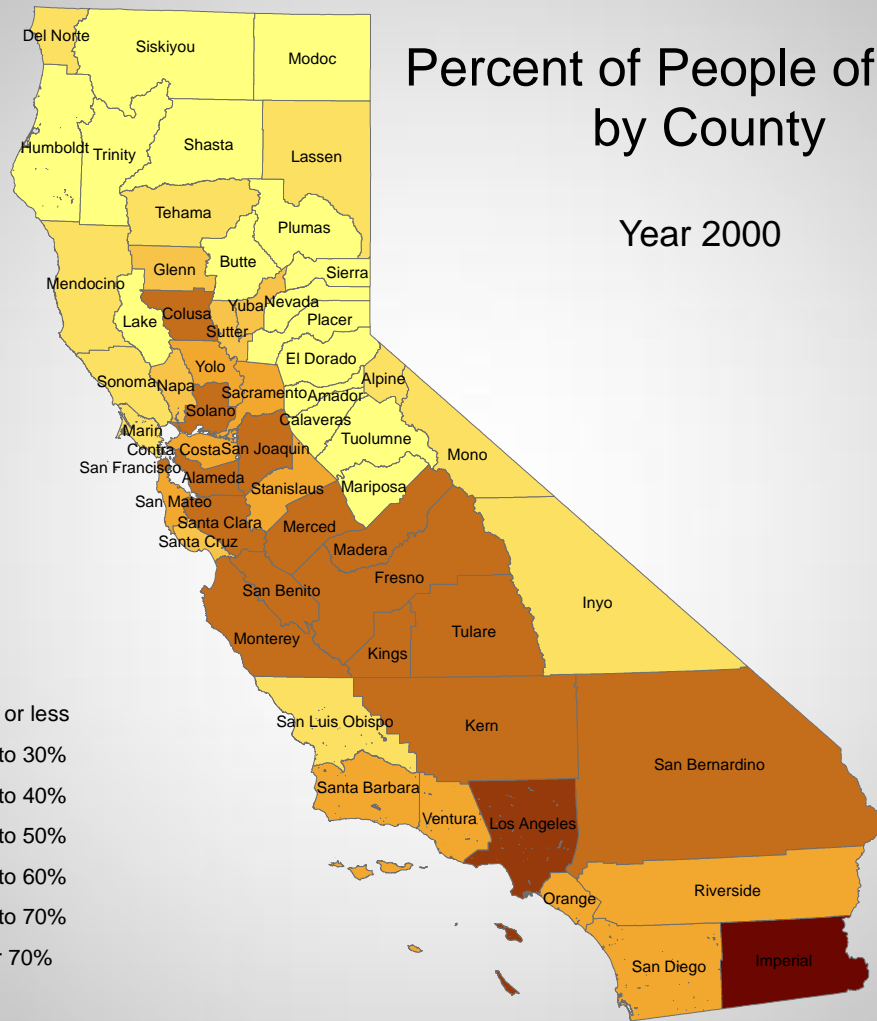
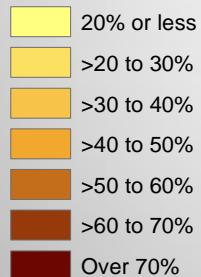
California Changing Demographics, 1980-2040



Percent of People of Color by County

Year 2000

Legend

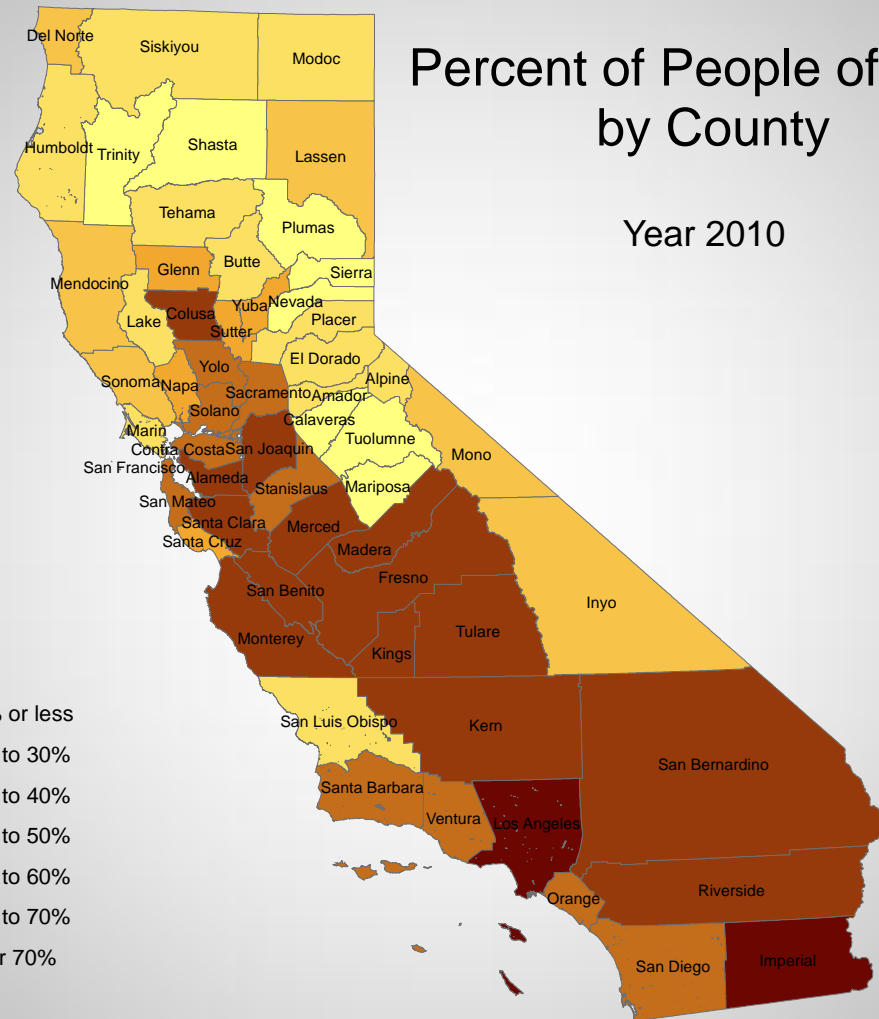
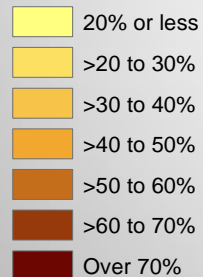


Calculations based on data provided by California Department of Finance, Race/Ethnic Population Projections with Age and Sex Detail, 2000-2050. July 2007.

Percent of People of Color by County

Year 2010

Legend

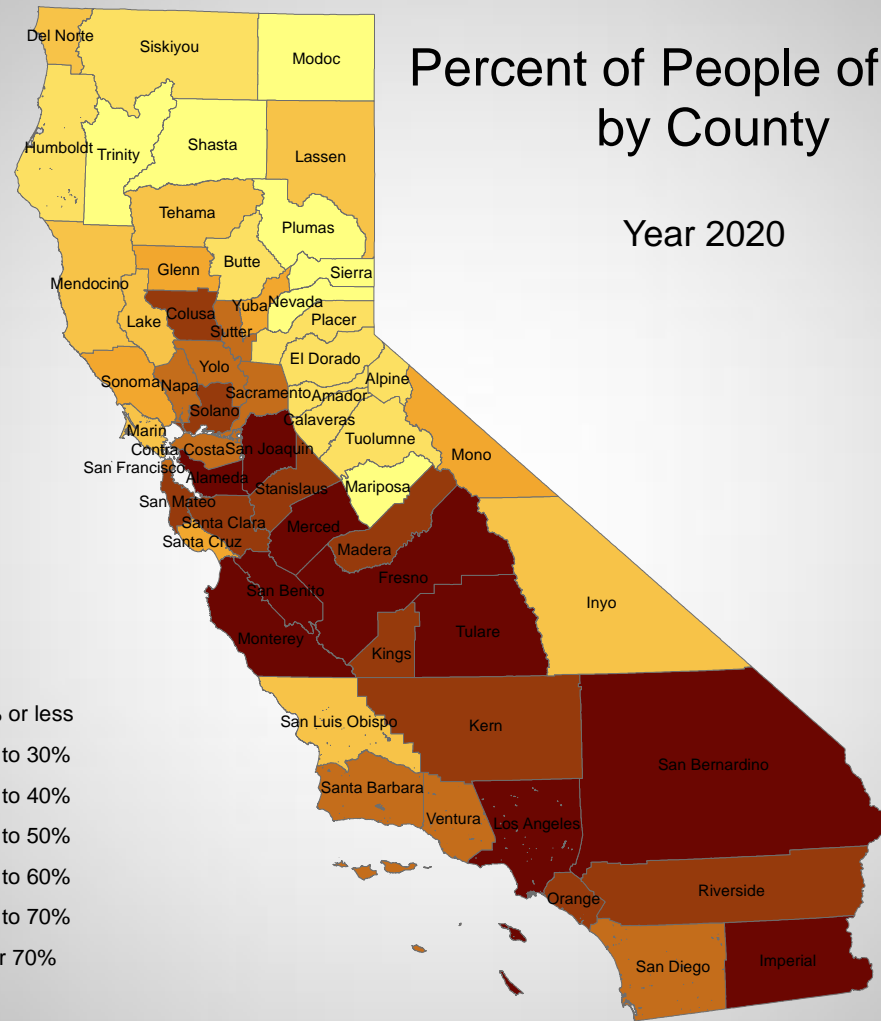
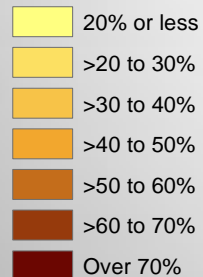


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Percent of People of Color by County

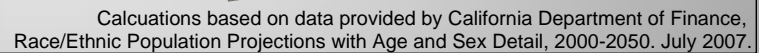
Year 2020

Legend



Calculations based on data provided by California Department of Finance, Race/Ethnic Population Projections with Age and Sex Detail, 2000-2050. July 2007.

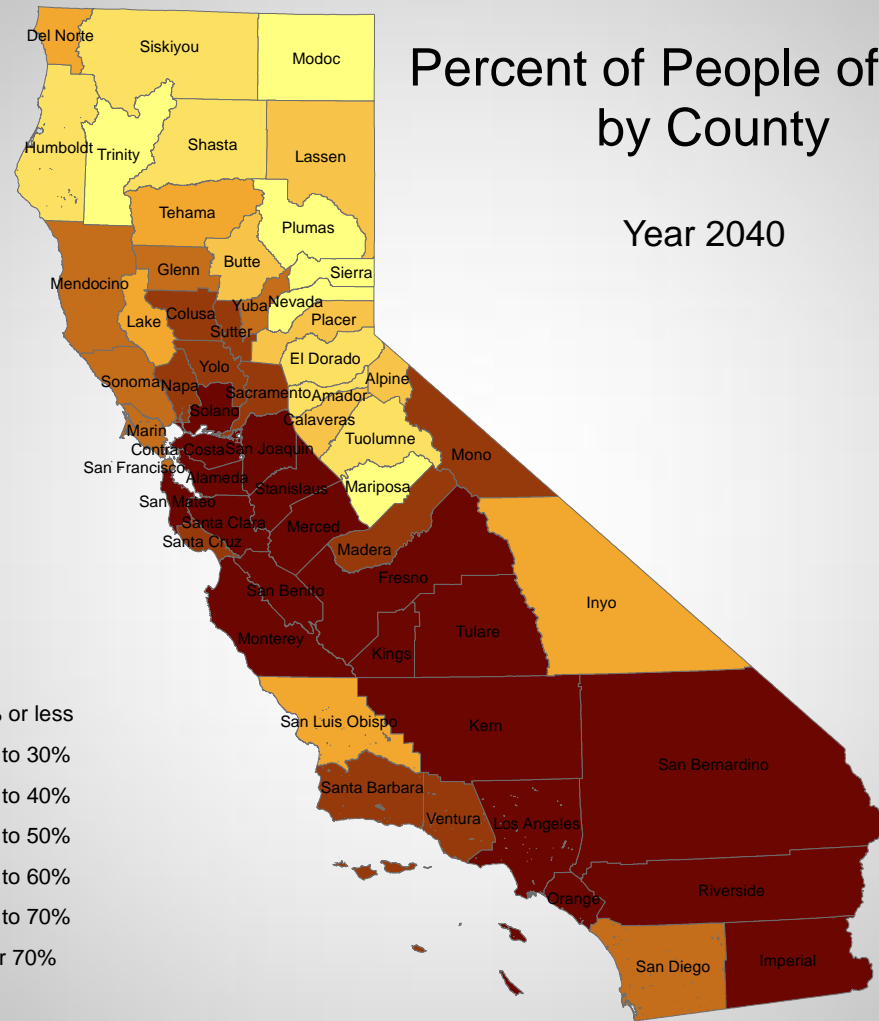
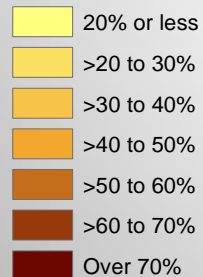
Year 2030



Percent of People of Color by County

Year 2040

Legend

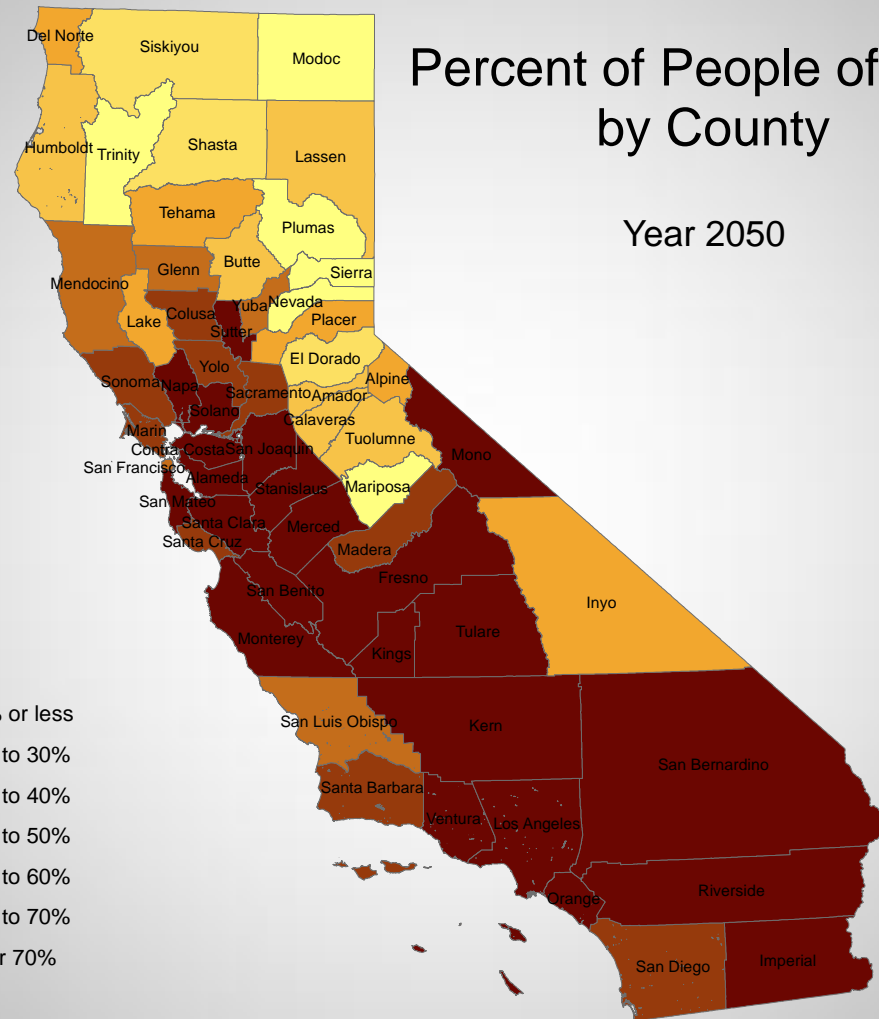
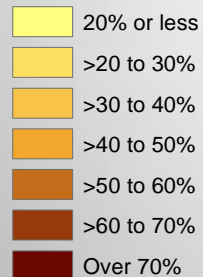


Calculations based on data provided by California Department of Finance, Race/Ethnic Population Projections with Age and Sex Detail, 2000-2050. July 2007.

Percent of People of Color by County

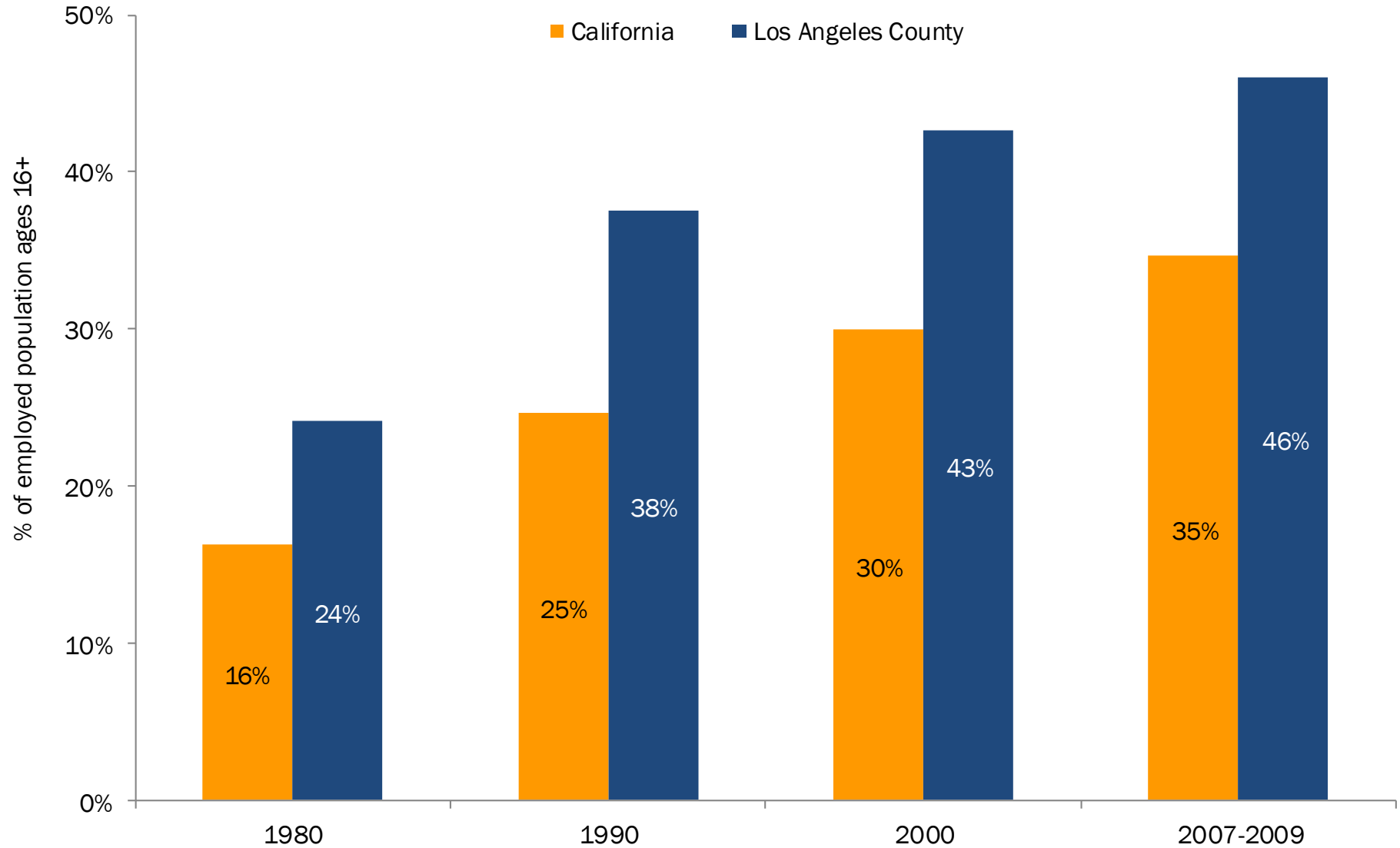
Year 2050

Legend

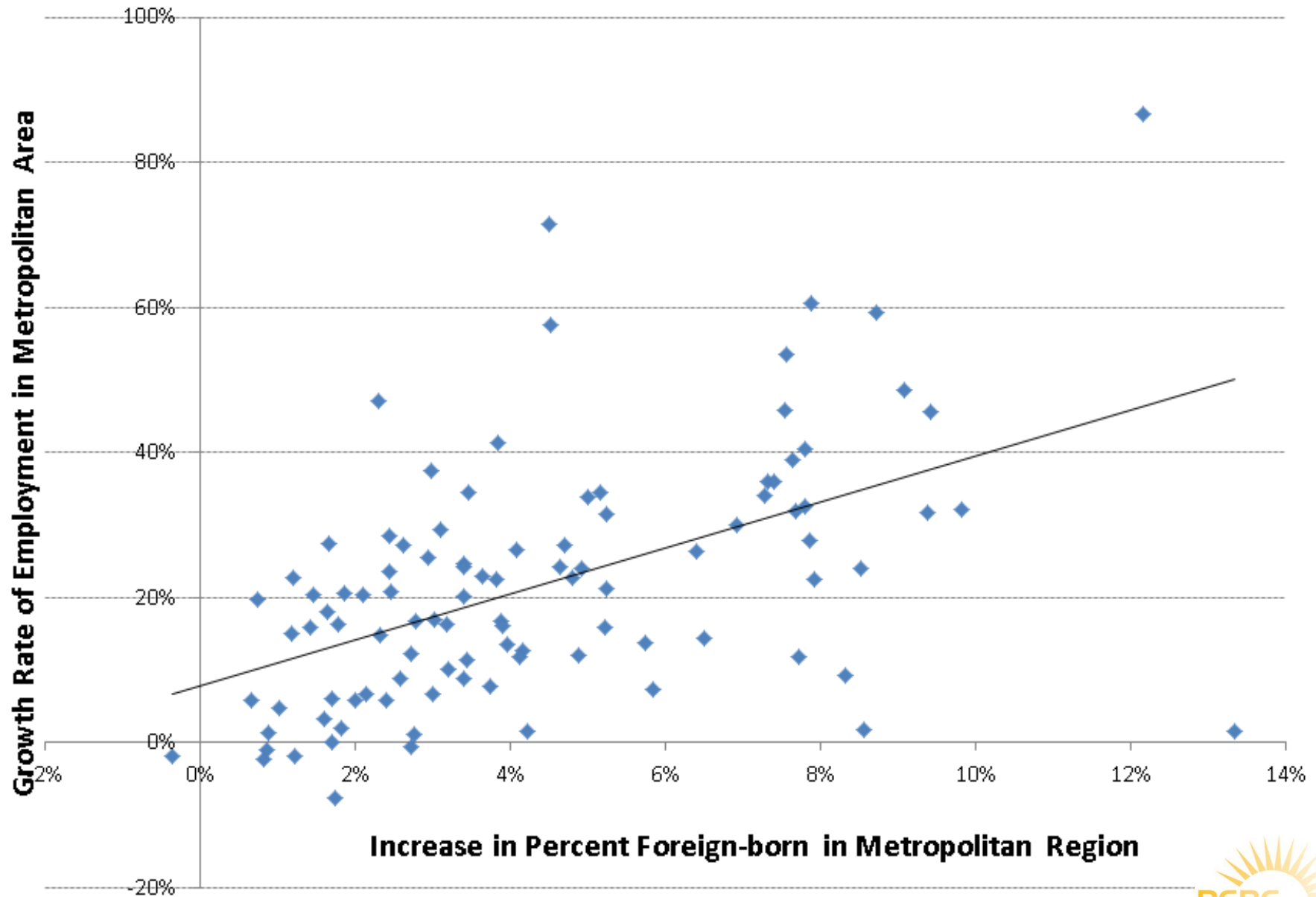


Calculations based on data provided by California Department of Finance, Race/Ethnic Population Projections with Age and Sex Detail, 2000-2050. July 2007.

Immigrant Share of Employment 1980 to 2007-2009

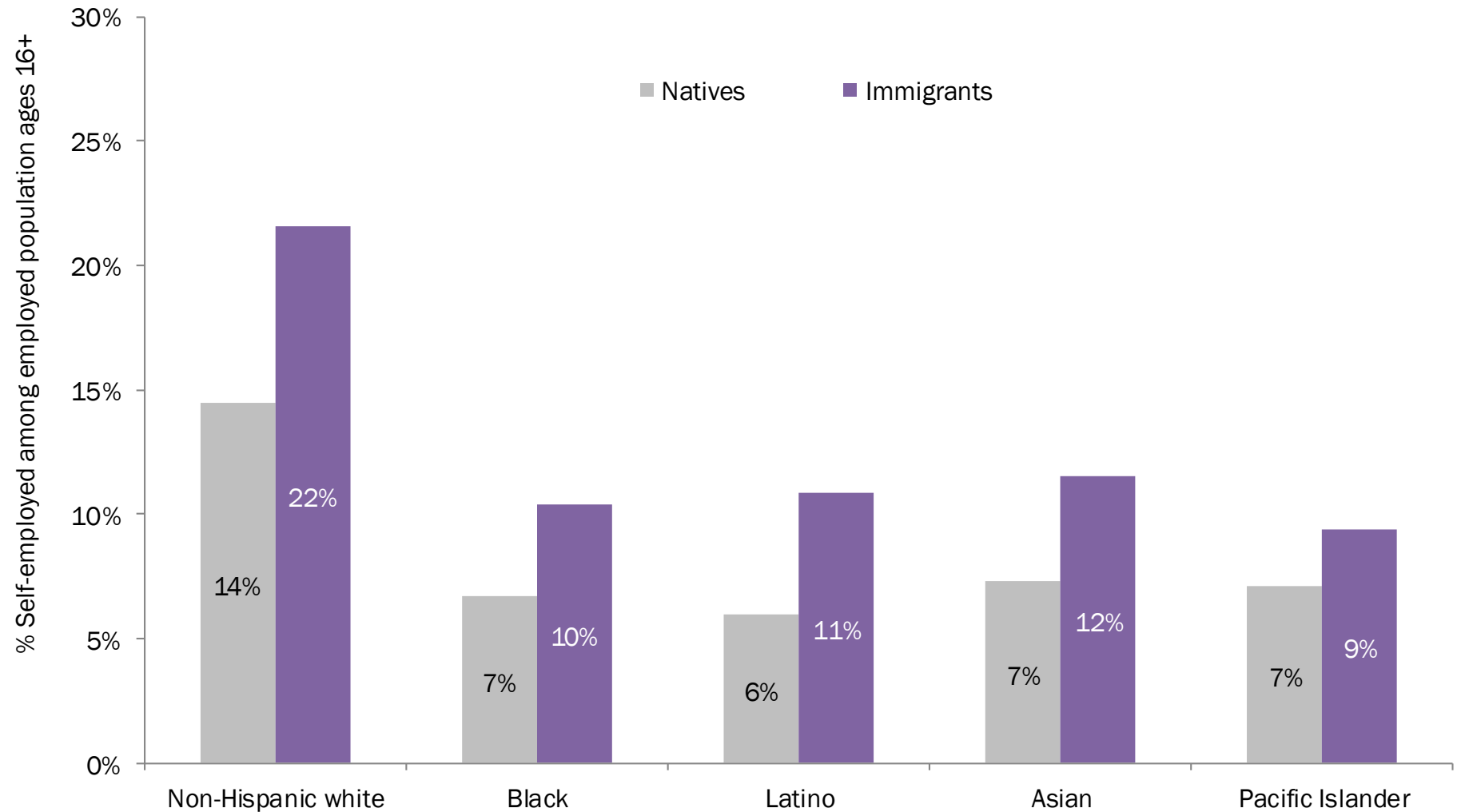


Employment Growth and Shift in the Percent Foreign-Born for the 100 Largest Metropolitan Areas, 1990-2008

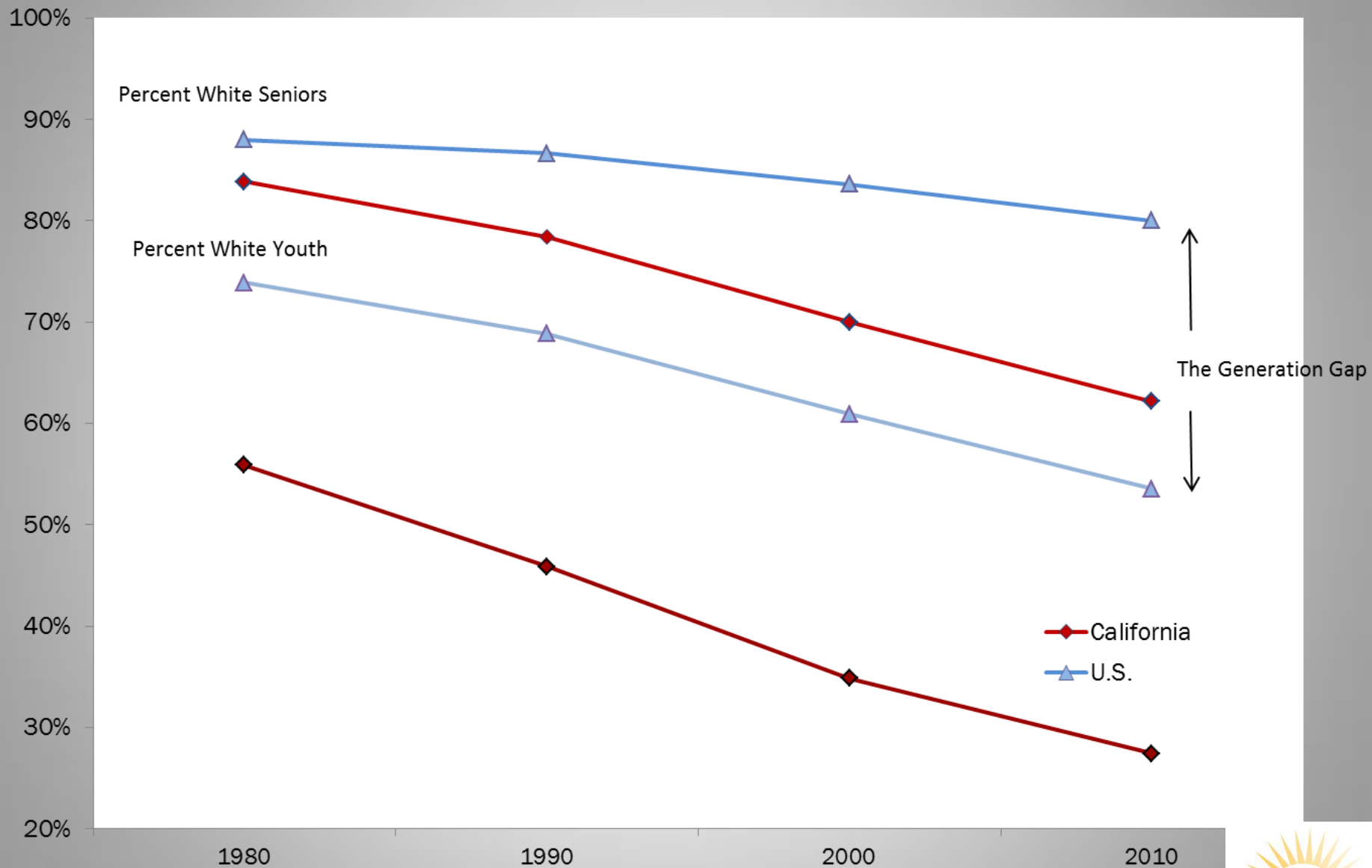


Self-Employment Rates by Race/Ethnicity and Immigration

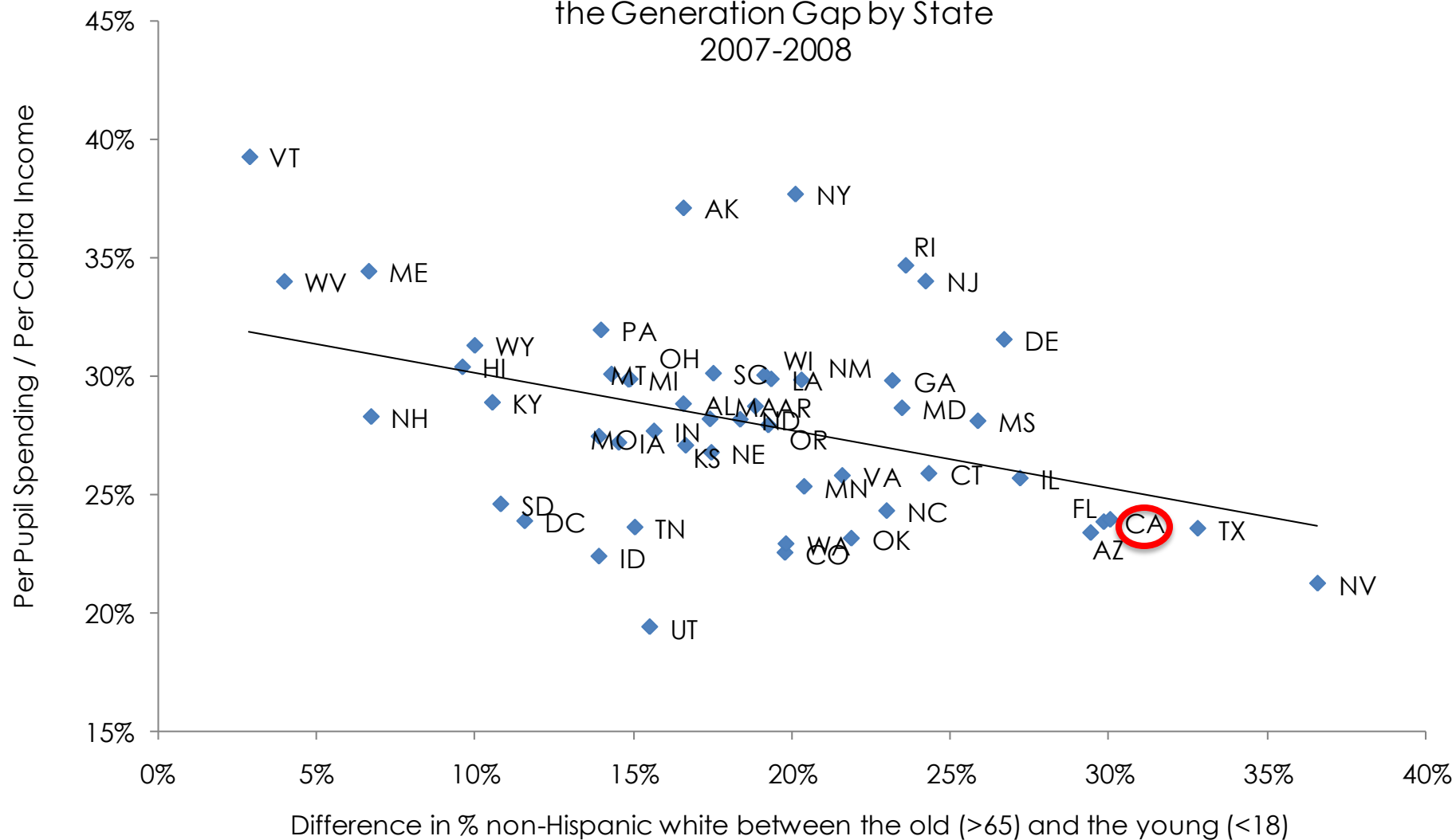
California, 2007-2009



Racial Generation Gap, U.S. and California, 1980-2010

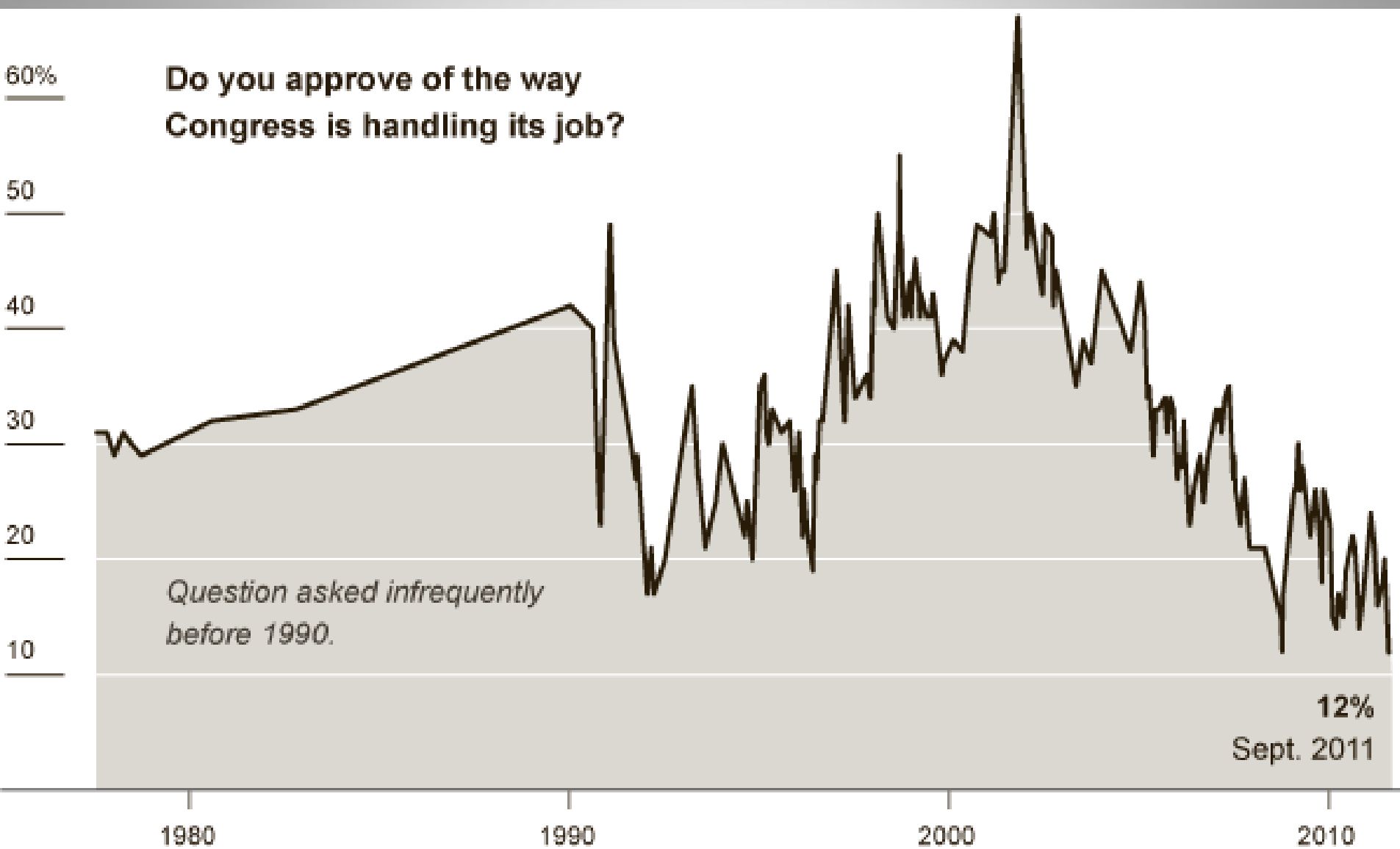


Income Adjusted Per Pupil Spending on Public Schools & the Generation Gap by State 2007-2008

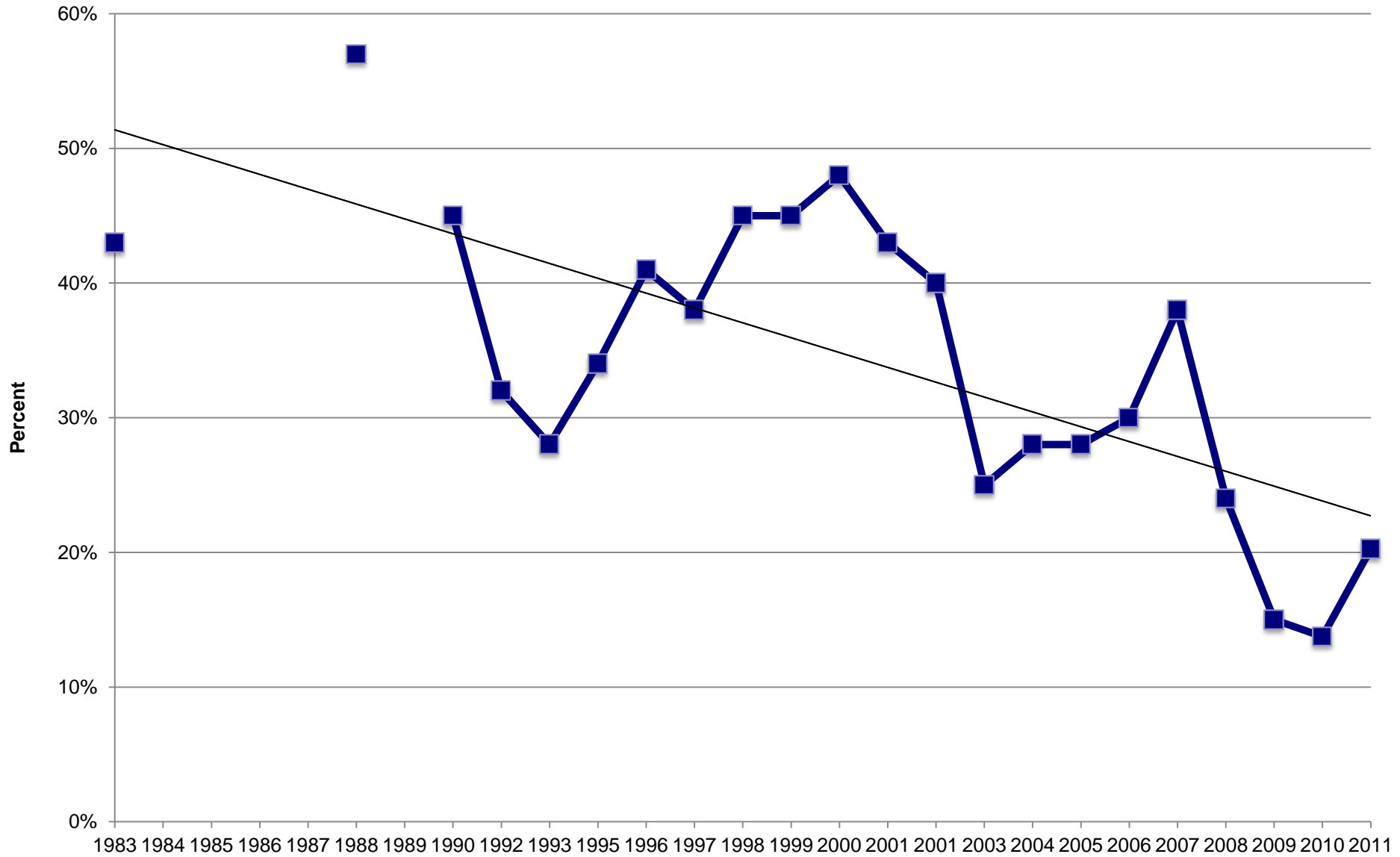


Source: Policylink/PERE analysis of data from the U.S. Census Bureau and the Integrated Public Use Microdata Series (IPUMS) Current Population Survey (CPS) March Supplement.

The political crisis...



Voter Approval Rating of California Legislature, 1983-2011



The New Disrupters / Palestinian Hope / Fall's Best Books

TIME

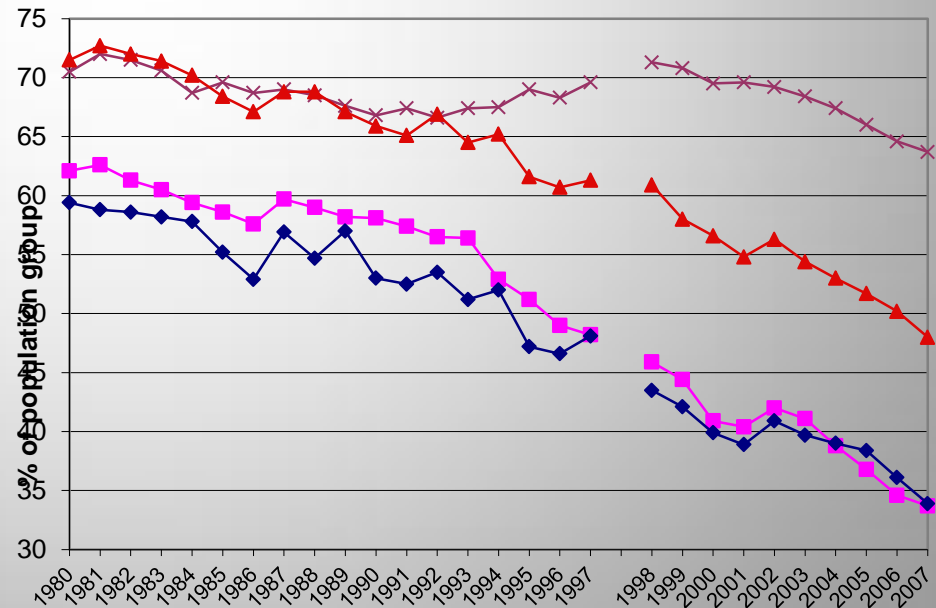
WHO IS TELLING THE TRUTH?

THE FACT WARS

☐ Romney <Check one>
 ☐ Obama



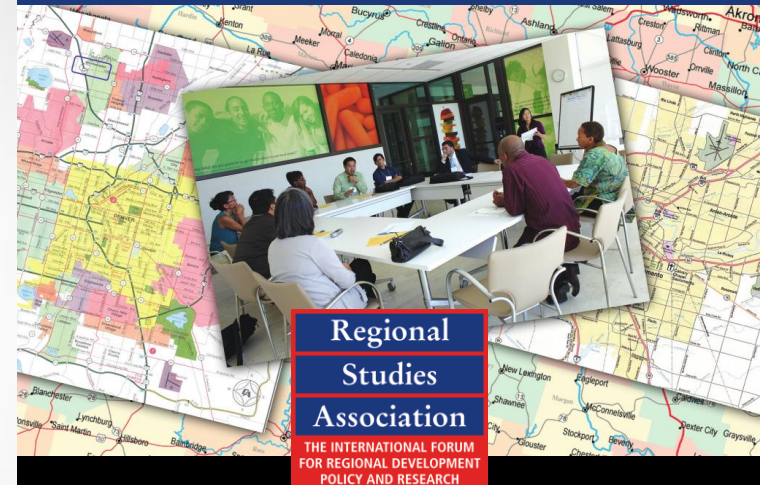
Weekly Newspaper Readership by Age Group, 1980-2007



Opportunities...

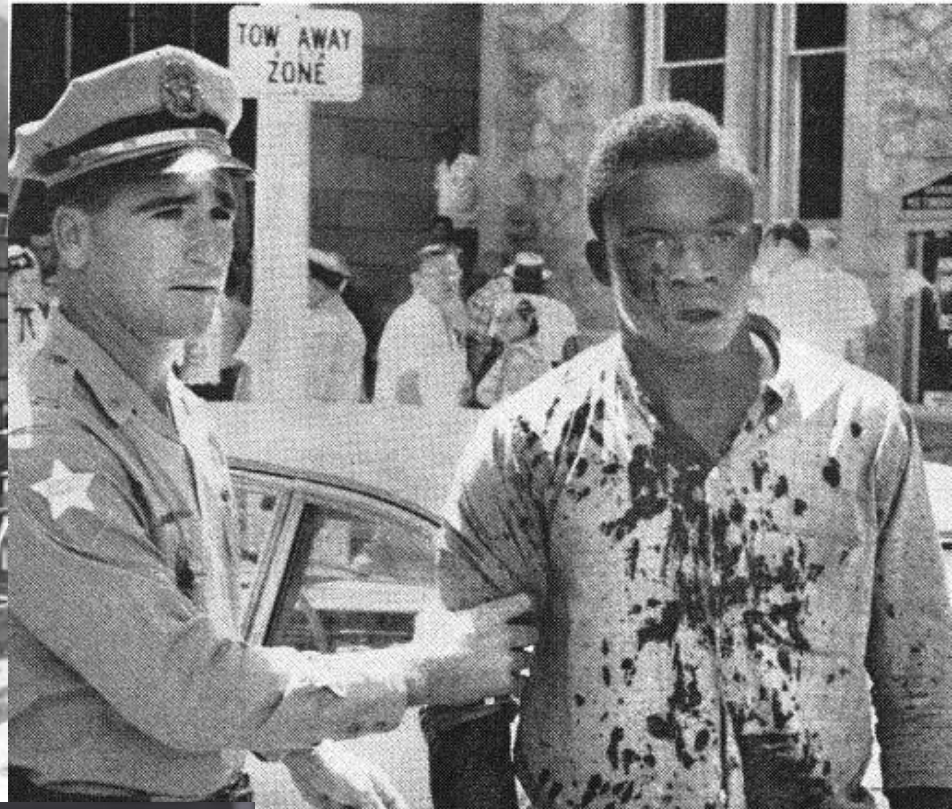
JUST GROWTH

INCLUSION AND PROSPERITY IN AMERICA'S
METROPOLITAN REGIONS



Regions and Cities

CHRIS BENNER AND MANUEL PASTOR



Biggest City In the World!

*by enlarging the city to 826.5 square miles,
consolidation makes Jacksonville No. 1 in area*

By JIM WARD
Jacksonville Post-Online

and ending up with a city measuring 461 square miles.

Neither Los Angeles nor Oklahoma City, however, last place on the world list, say the authors.

Population, in its most, does not enter into the question of Jacksonville being the largest city in the world, but it will mean something in the state.

With a population of a little more than 800,000 last year,

In 1900 — in those quiet years when Jacksonville was just beginning to realize she had a story to tell, she — before the Communist regime gained control of the nation, taking land an area of some 300 square miles, including the several imperial capital city, which has an area of 33 square miles.

Three years after the debut of the Nationalist, the Communist government enlarged

its other large city in the world — including such gems as Shanghai, Tokyo, London, New York City, Moscow, Berlin or Paris — has a larger land area than Jacksonville.

Again, it should be noted, this does not take into account the population of these cities, for they are the most densely populated areas in the world.

In terms of these cities themselves, they have populations in the millions, such, in terms of the metropolitan areas which surround them, these total populations are counted in terms of tens of millions of people.

Eight Largest

In terms of square miles, the next seven largest cities in the world after Jacksonville are Shanghai, Tokyo, New York, London, Berlin, Paris, and Moscow.

This order, however, is still dependent on what the metropolitan area of the city is included or simply the area of the city proper.

Shanghai has an area of 776 square miles as an administrative district similar to the

London is 729 square miles of land.

The population of the metropolitan area is 11,021,000 but only 1,800 people live in the City of London itself. The estimated population of the County of London is 1,170,000 people.

five more. The population of the Moscow District, however, is estimated at more than 18 million.

The metropolitan city of Paris, which began as the Ile de la Cité in the Seine River, is essentially located in the Seine Department, which has



Jacksonville-as far as the eye can see; this aerial shows the heart of the New City with its

the cover story

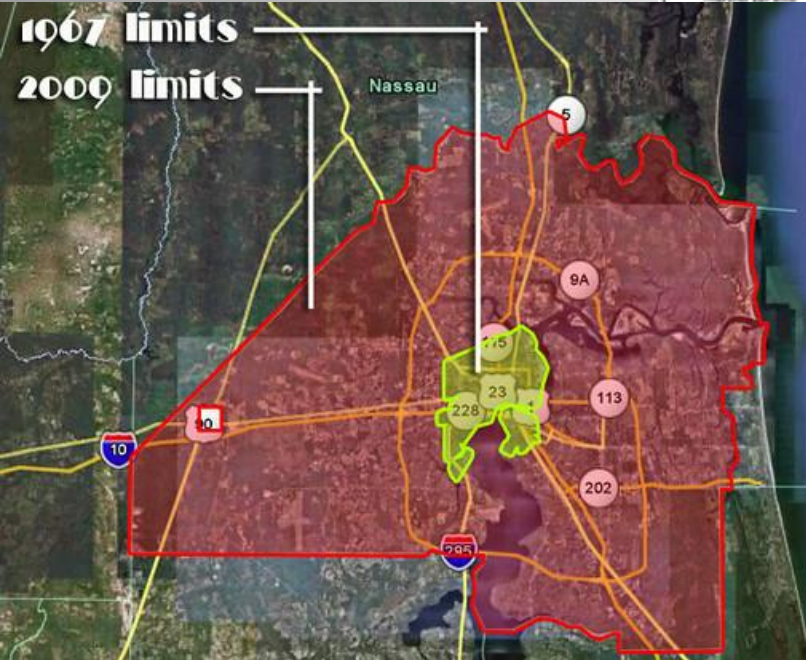
Jacksonville's unique claim to fame under consolidation is explored by Times - Union Staff Writer Jim Ward. Cover photo by Roger McNeil.



Ward

met, Jacksonville has a new total today — more than half a million.

the metropolitan district of Jacksonville to include all of the land south of the 19th St. rail



Citizens Building a Better Community
JACKSONVILLE COMMUNITY COUNCIL INC.



Equity and efficiency trade-offs?

- ❖ Conventional wisdom in economics
 - Need for large-scale investment
 - Shift from low to high productivity
 - Incentives and motivation
- ❖ But, new equity and growth synergies?
 - Keynesian economics
 - Countries in the global south
 - Regions in the U.S.



Equity Matters at Regional Scale

- *City-Suburb income gaps* associated with stagnation in regional income and jobs (Savitch et al. 1993)
 - Per capita income growth faster where *poverty gaps and segregation* lower (Pastor et al. 2000)
 - *Racial inclusion and equality* strongest predictor of four different measures of regional growth (Austrian et al. 2007)
- Relationship between equity and growth is *stronger in 'weak-market' regions* than fast growth regions (Pastor and Benner 2008)
 - *Income inequality* associated with lower savings rates (linked with financial and social distress, including bankruptcies, high commute times, divorce) (Frank et al. 2010)



Fund for our Economic Future

Table 2. Factors' Impact on Regional Economic Growth

Factor	Per Capita Income	Employment	GMP	Productivity
Skilled Workforce and R&D	0.00333			0.00134
Technology Commercialization	0.00374		0.00211	0.00232
Racial Inclusion & Income Equality	0.00104	0.00208	0.00357	0.00138
Urban Assimilation		0.00143	0.00276	0.00126
Legacy of Place		-0.00748	-0.00917	-0.00136
Business Dynamics		0.00237	0.00281	
Individual Entrepreneurship		0.00200	0.00180	
Locational Amenities	0.00222			
Urban/Metro Structure		0.00129	0.00218	

136 Metro areas, 4 growth measures, 9 broad indicators with 38 different variables

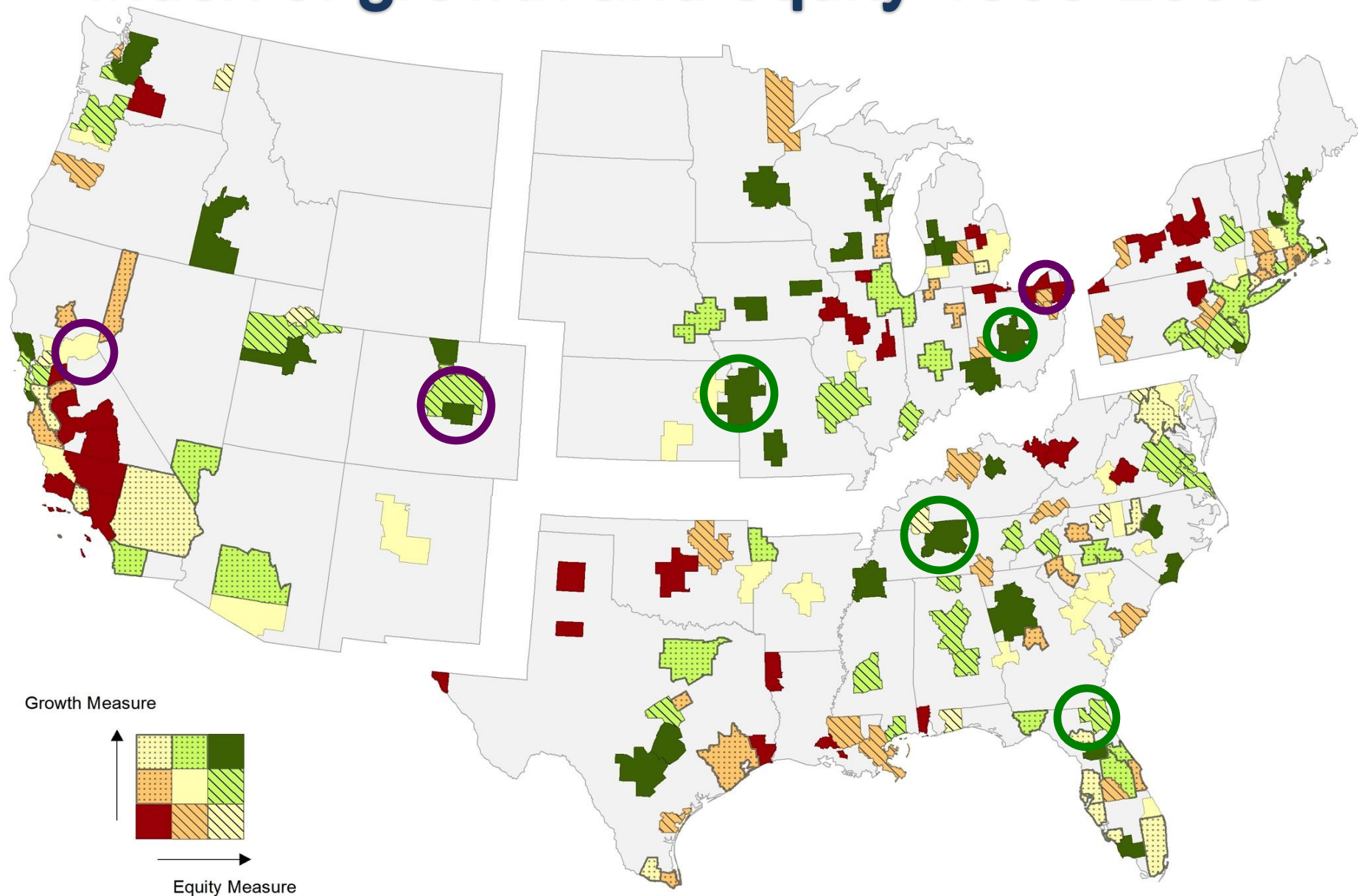
Source: Fund for our Economic Future, North East Ohio

<http://www.futurefundneo.org/en/~media/Files/Research/2007%20Dashboard%20of%20Economic%20Indicators.as>

Index of growth and equity 1980-2000

<i>total</i>		64	64	64	192
Terciles of Growth index ↑	best	13	18	33	64
	middle	17	24	23	64
	worst	34	22	8	64
		worst	middle	best	<i>total</i>
		→			Terciles of Equity index

Index of growth and equity 1980-2000

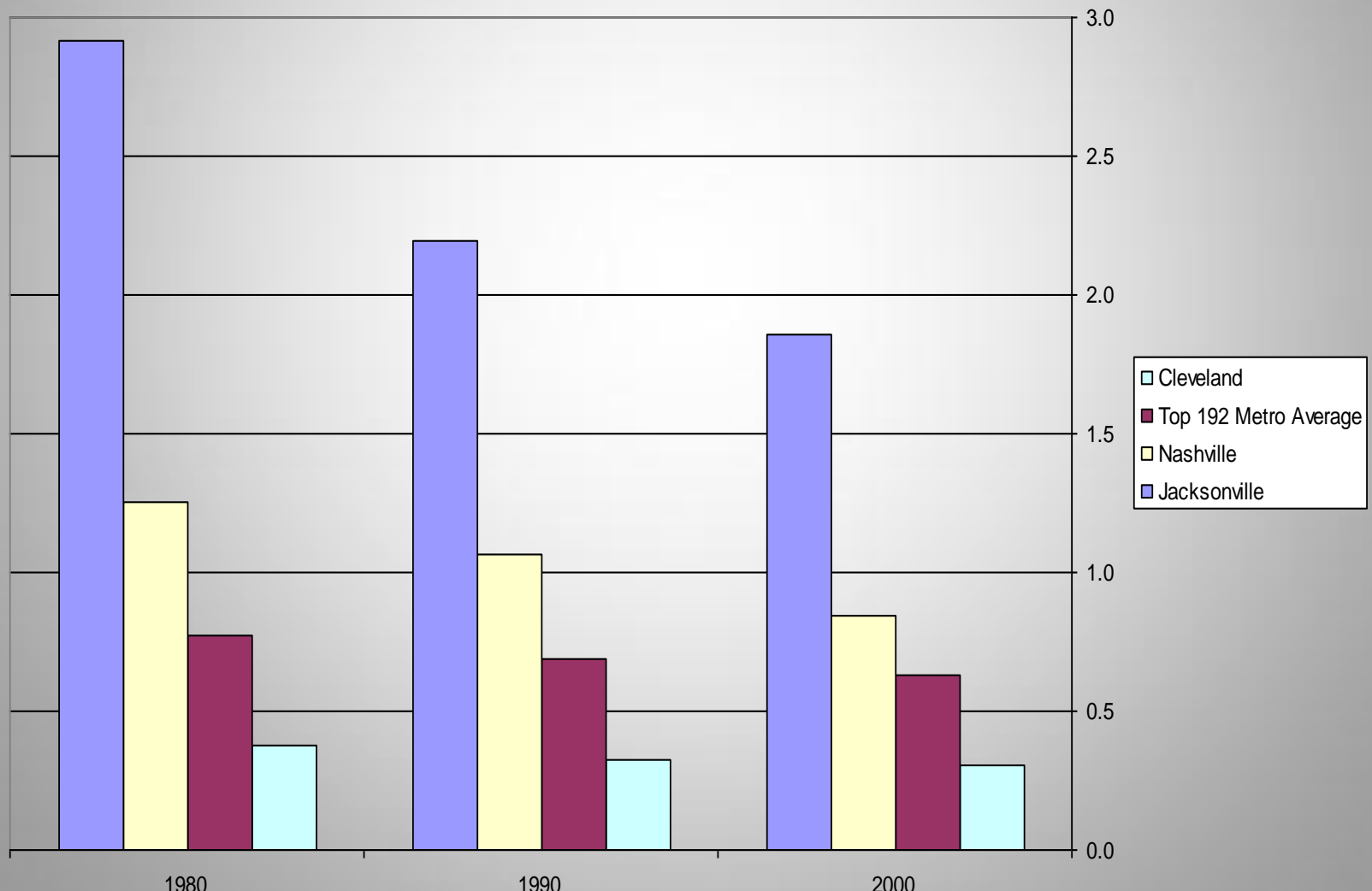


Some Just Growth Factors



- ❖ Diversified economy
 - State capital
 - Nashville, Columbus, Denver, Sacramento
 - Public sector employment
 - Jacksonville, Sacramento
 - Construction
 - Denver—link with public investment
- ❖ Small portions of poorly educated population
- ❖ Minority Middle Class
 - Nashville
- ❖ Less spatial segregation

Ratio of Principal City Employment to Suburban Employment 1980, 1990, 2000



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Mid-America Regional Council
600 Broadway, Suite 200
Kansas City, MO 64105

MARC seeks federal funding to advance sustainable communities planning in Greater Kansas City

Aging Services

Community Development

Emergency Services

Environmental Services

Government Innovations Forum

Government Training Institute

Green Impact Zone

Health Care Initiative

International Affairs

Metropolitan Council on Early Learning

Mid-America Head Start

Public Safety

Research Services

Transportation Services

representing the Kansas City Regional TIGER grant to sign agreements and kick off \$50 million in transportation infrastructure projects funded by the grant. MARC coordinated the regional application for competitive TIGER grant funds available through the American Recovery and Reinvestment Act. [More about TIGER»](#)



Regional TIGER Grant



FTA Regional Administrator Mokhtee Ahmad signs agreements for investing \$50 million in regional TIGER infrastructure improvements.

Skycast for 10/06/2010:
[SkyCast](#)



Upcoming Events

[Household Hazardous Waste Collection Events](#)

[2010 Recycling Challenge](#)
4/22-11/15

[International Walk to School Day](#)
10/6/10

[MARC Calendar](#)

New on Our Web Site

[Creating Sustainable Places Grant Application](#)

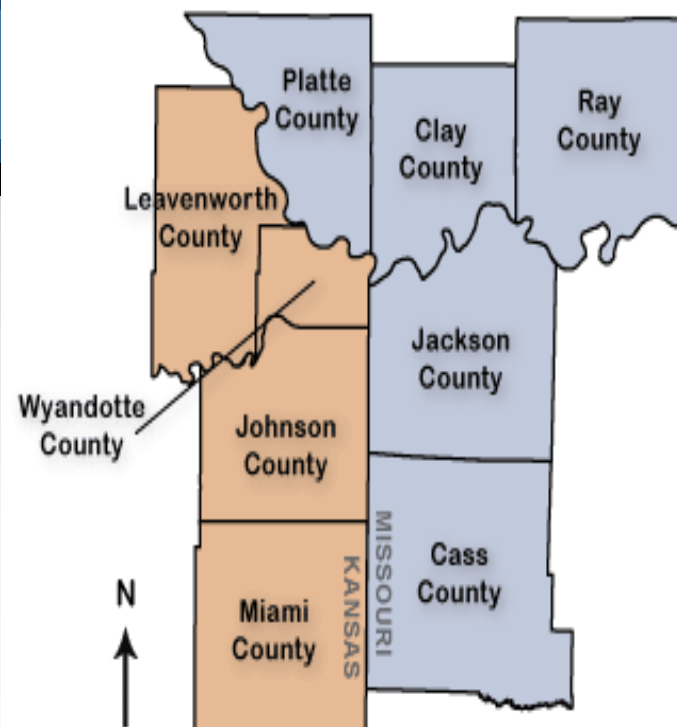
[Missouri Transportation Enhancements 2010-2011 Call for Projects](#)

[TIGER Federal Stimulus Award](#)

[Transportation Outlook 2040](#)

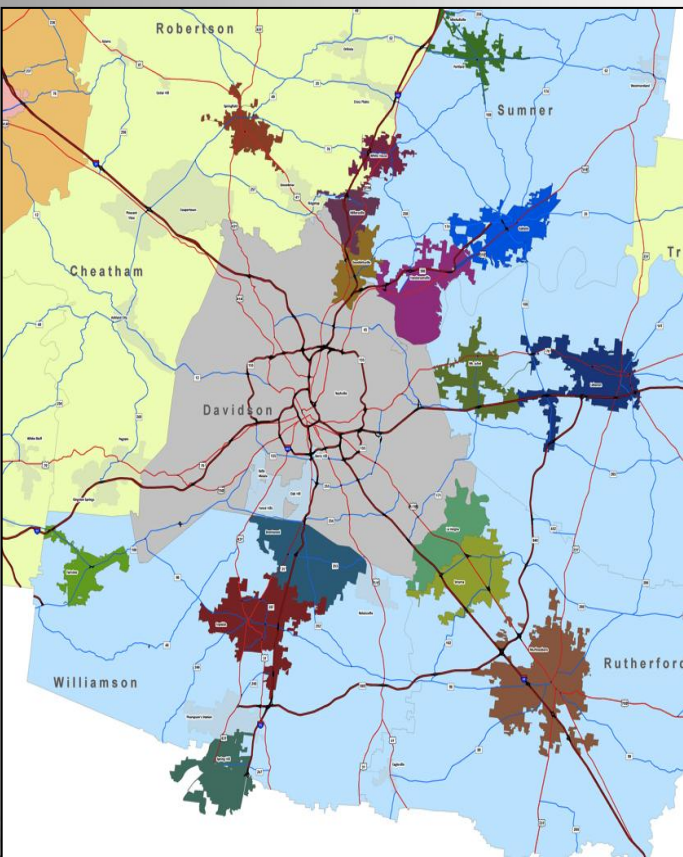
[2009 Public Officials Directory](#)

[2010 Vehicle Bid](#)





*Bridging Community Leaders
with Community Issues*



What does it all mean?

❖ Diverse epistemic communities

- “Like-minded networks of professionals whose authoritative claim to consensual knowledge provides them with unique source of power in decision-making processes.”
- “Processes of interaction (interpretation, knowledge generation, action) often institutionalized when there’s a need for repeated interactions over extended periods of time”

❖ Not just WHAT you know but WHO you know it with

**The workforce investment
opportunity...**

Job Crisis solution?

❖ The old social compact

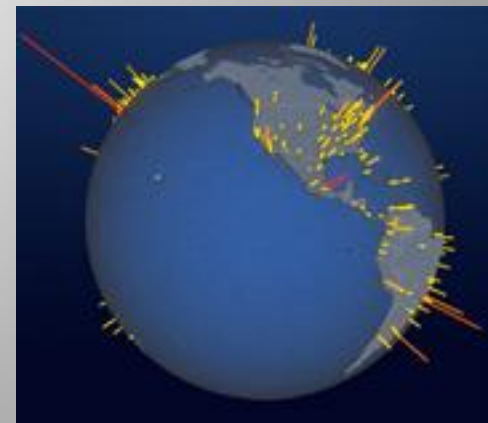
- Workplace compromise—work control versus employment stability
- Nationalist Keynesianism—labor stability and macro-economic demand

❖ New social compact?

- Must ensure economic growth *and* social stability
- Must solve dilemmas of multiple stakeholders
- Likely to emerge out of existing innovative institutional initiatives in regions

Globalized regions as the new workplace

- ❖ Important spatial dimension of critical workforce activities
 - Lifelong learning and innovation
 - Untraded inter-dependencies
 - Production and social reproduction
- ❖ U.S. metros: 84% of population, 91% of GDP
- ❖ Regional innovation systems around the globe



Workplace (regional) governance

- ❖ Employer associations shaping collective work processes
 - Innovation systems
 - Social and physical infrastructure investment
 - Quality of life initiatives/creative class
- ❖ Some public sector engagement
 - Public/private partnerships
 - Governance collaboration



REGIONAL LEADERSHIP COALITION
COOPERATION WITH RESULTS
GREATER LOUISVILLE • INDIANA • KENTUCKY

Regional worker organizations...

□ Guild-like structures:

- Building stability through regional, occupationally-based communities
- Improving employment outcomes through building common mobility channels



WEBGUILD



Society for
Technical
Communication



Regional worker organizations...

❖ Regional unionism

- SBCLC/Working Partnerships
- Many other examples around the country



SHARED PROSPERITY AND INCLUSION
The Future of Economic Development Strategies in Silicon Valley

written by
Sarah Muller, Sarah Zimmerman, Bob Brownstein,
Amy B. Dean and Phaedra Ellis-Lankin

WORKING PARTNERSHIPS USA



THE
WORKING PARTNERSHIPS USA
SANTA CLARA COUNTY

CHILDREN'S HEALTH INITIATIVE
WORKBOOK

INTRODUCTION BY DR. DAVID GARCIA



SOUTH BAY AFL-CIO LABOR COUNCIL

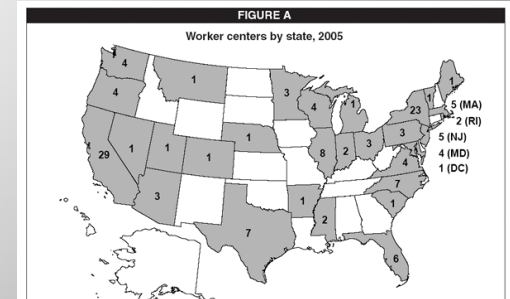


CONNECTICUT CENTER FOR A NEW ECONOMY
WORKING TO BUILD STRONG COMMUNITIES FOR CONNECTICUT'S WORKING FAMILIES

Regional worker organizations...

❖ Community unionism and workers centers

- Community-based and community-led organizations that engage in a combination of service, advocacy, and organizing to provide support to low-wage workers.



Asian Immigrant Women Advocates



Conclusion

- ❖ Economic processes driven by innovation, uncertainty, volatility, and networks
- ❖ Focusing only on 'jobs' hinders our ability to promote economic innovation or social well-being
- ❖ Instead, we need to think about promoting community-based careers in the regional workplace, with win-win-win opportunities
- ❖ Workforce development initiatives critical institutional infrastructure for diverse epistemic communities

Thank you!!

